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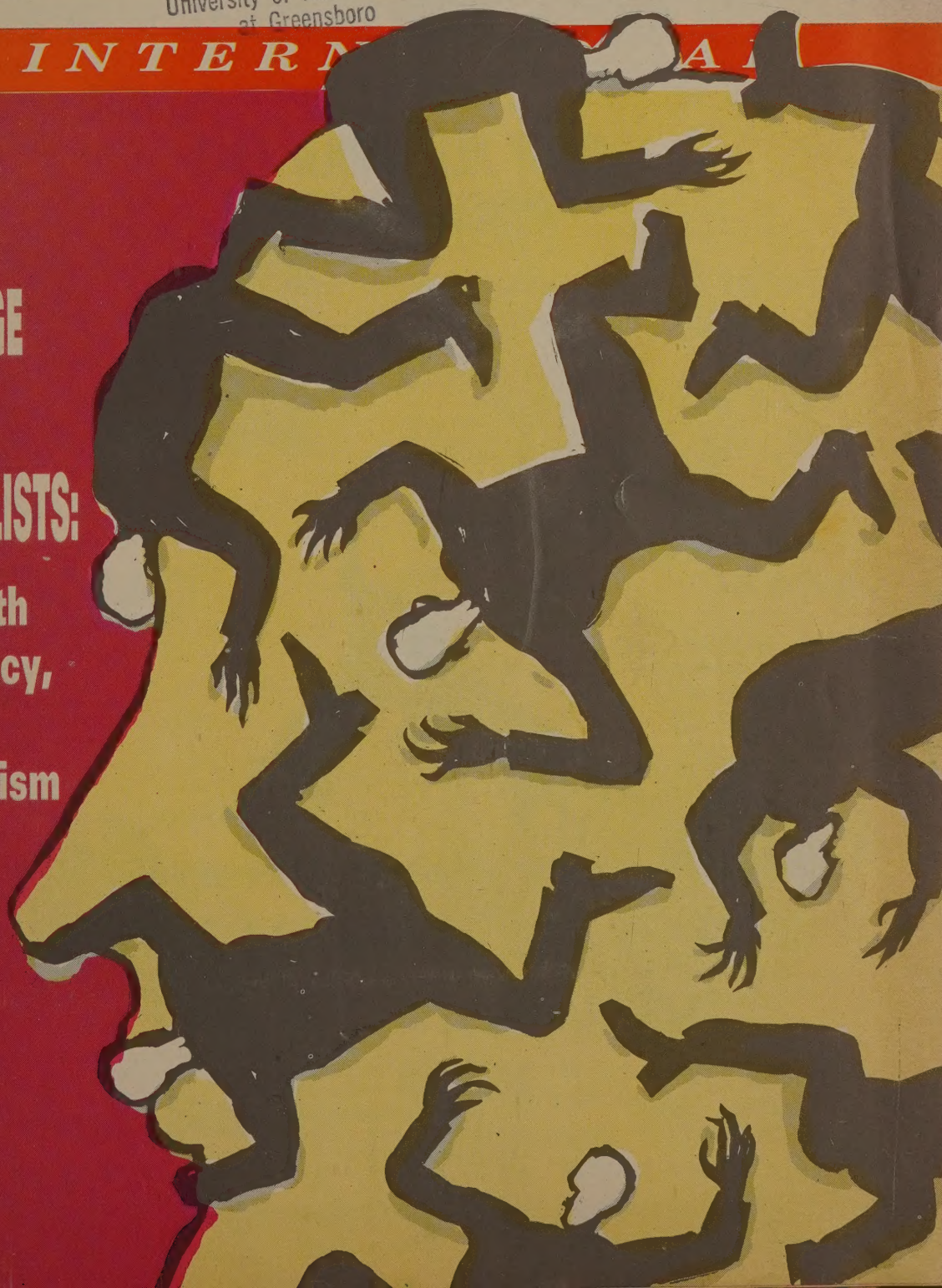

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Not so hopeless

Your newspapers and magazines have been writing much about the grievous state of science in Russia and the troubles of Russian scientists who no longer receive government subsidies. In my opinion, the situation is not so hopeless as it might seem. There is no need for your academicians and professors to leave their homeland and for us to simply buy "Russian brains." Russian scientists could find a worthy application for their abilities in the new conditions without leaving their homes. Many of us think that when gaining a foothold in the Russian market, foreign companies should make a broader use of the Russian scientific potential. Additionally, Western research centres could move more energetically in joining with Russian scientists who enjoy high prestige in the world, to carry out major joint projects in Russia. In my opinion, this would be to our mutual advantage.

Brighton Collins, research associate
Liverpool

A far-sighted act

I think the Russian administration acted wisely in joining UN sanctions against Serbia. The unprecedented crimes of the Serbs deserve an emphatic condemnation. Having risen above its traditional ties with Serbia, based on the religious community, economic interests and political considerations, Russia is freeing itself from the fetters of ideological dogmatism and drawing near to the giant Islamic world, which has the future.

Hassan Khan, teacher
Hyderabad, Pakistan

Friends do not act so

In Serbia, we have always said: with Russia, there are 200 million Serbs, and without it, two trucks. That is why we learned with grief that Russia had joined sanctions against Yugoslavia. It's difficult to believe that for the sake of financial rewards you hope to receive from the West for this unreasoned step, you are prepared to forgo our centuries-old friendship sealed by ties of spiritual brotherhood, the community of cultures and faith, and the blood jointly shed in battles.

Miroslas Petrovich, pensioner
Zagreb

Quo vadis?

I read "Quo vadis, homo Sovieticus?" (No. 22,1992) with a feeling of internal protest. Its author, Vitaly Ganyushkin, probably went overboard in polemic fervour. But it seems he is unjust towards the Russian people, describing it as "underdeveloped, morally incapable and wild." If these qualities are inherent in Russians to some extent, this should be attributed not to their nature, but to the communist system which has corrupted the people morally and, to a certain extent, intellectually. Russians living abroad are worthy of their name and have achieved much. Economist Leontieff, aircraft designer Sikorski, composer Rachmaninov and many others can be mentioned here. Democracy provides the best soil for talents to flourish.

Fyodor Mirolyubov
San Francisco

THE WAY I SEE IT

Drawing by Marat Tairov

Russians and Germans are equal in rights

Kolyadin's private opinion about German autonomy (No. 18, 1992, Letters), characterized by ignorance and national chauvinism, will not find understanding among democrats of any nationality.

This gentleman should have looked in the draft Constitution of the Russian Federation, which says: "The multinational people of the Russian Federation is the embodiment of its sovereignty and the only source of state power." The ethnic Germans of Russia enjoy equal rights together with all other peoples. Each of them is ensured the right not only to cultural autonomy, but also to self-determination within the Russian Federation.

Ivan Kronewald
Nizhny Tagil

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Empire-bereft Russia seeks a banana-republic environment

After the latest flareups in the Dniester area and South Ossetia, the prospect of Russia going to war against erstwhile junior sisters in the former USSR no longer appears a figment of the imagination. The resolute pronouncements of Russia's top leaders vis-à-vis the Moldovans and the Georgians indicate that the romance of gentle separation is over. Russia's politicians no longer see themselves as smugly complacent dissidents subscribing to the belief that each and every nation enjoys equal rights. Kremlin empire hypnotism has taken effect and as a result, the men who attacked the Gorbachev centre's omnipotence seek themselves to dictate. They want to terminate Moscow's capitulation as a world metropolitan citadel. The collapse of Communist regimes has reduced its global claims. Indeed, as the Yeltsin US visit has demonstrated, today these claims are restricted to nuclear weaponry as the Kremlin's final great-power urge with which economic hardships and weighty US pressing will soon compel Moscow to part.

Indeed, nothing is said now about those forposts in Africa, Asia and Latin America. Moscow would be only too happy to get back what's owing and patch up its tattered national budget. But as for former USSR territories, the Kremlin seeks to keep them within its zone of priority influence at all cost. Doubtlessly, knowledgeable Eduard Shevardnadze will easily realize that the Kremlin's current bosses will concede nothing, that on the contrary, they will catch at every excuse to regain everything so heedlessly lost as the curtain rang down on *perestroika*. This does not mean the former Soviet republics should worry about all the stage props of independence, such as flags, coats of arms, languages, presidents and parliaments. Many, however, will have to realize that their independence reaches only up to the point Moscow allows. In short, the Kremlin seeks to modify the dictatorial model and switch from the crude colonialism so inappropriate in this twentieth century to the more flexible type the USA has tested in Central America, a system making for a broad range of relationships between senior and junior partners, from close ties to profound dislike, however exclusively according to the rules of the game that the metropolitan countries propose. Thus whether Nicaragua was USA's friend or foe, it always depended on Washington, which thereby set the tune for its domestic affairs.

Meanwhile Russia, even though rather weakish today, still possesses powerful leverage on her junior partners. Thus she accounts for 90 percent of the fuels and electricity and 70 percent of the crude materials the former USSR produced. For instance, Tbilisi residents already know only too well what it means when no more gas flows in from Russia. Ukrainian engineering workers, now without jobs, have likewise learned the price of Russian metal. Finally, the ruble, which in the CIS jungle is still the most reliable coinage after the dollar, likewise provides Moscow with a whiphand notwithstanding the newly introduced Estonian crown and sundry other national substitutes.

One more lever for pressure is the Russophone minority in this or that CIS republic, as it spells electoral votes, as well as a pretext for Kremlin intervention. Moreover, the Russophone minority attracts other ethnic units, of whom there are so many everywhere and who also gravitate to Moscow by virtue of tradition and the power it commands. Power or force, call it what you will, implies the remnants of the great Soviet Army that are scattered all over. Until this summer it was doubtful whether Moscow would resort to the services of the disillusioned officer corps to tackle problems surfacing in its relations with the republics. The doubt no longer exists, firstly because the power struggle going on inside Russia logically induces the top echelon not to overlook this final argument of the kings. This is taking the wind out of the sails of the national Communist opposition, which is only full of hot air, whereas the powers-that-be may act.

So what do banana-republic candidates have for upholding sovereignty? After all, membership in the UN and other international agencies and ties with other major powers have never been that reliable in practice. If the West recognizes Russia's prerogative to her own sphere of influence, which will most likely be the case, and if Russia resorts to this prerogative cautiously enough, any tangible independence on the ruins of the erstwhile USSR will be a long way off.

Vladimir Kulistikov

Sobornost, great power, TV

Russian nationalists are getting ready to seize power. At least they want it a lot.

This is the second party in Russia without scruples. It unites the Central Committee members of its predecessor, writers who stopped writing in order to fulfil their "civic duty," super-active Army and Security generals and sensitive democrats disappointed in Yeltsin's policies, and the Black Shirts, i.e., fighters against the Judaeo-Masonic plot.

The new party announced its appearance by aggressive speeches at the Congress of the Russian National Sobor in Moscow and scuffles near the national TV centre.

Democrats who had watched with sneers the *Pamyat* showmen and the distribution of mythological millions by the leader of the Russian Party will now have to do with a well-organized opponent.

The new opposition won't be a parliamentary one. It proceeds from the assumption that Russia is ruled by "Yeltsin's occupation regime," and any means are good enough to fight against occupiers. The rightist rally near the TV centre, accompanied with the beating of police and an assault on the TV premises has demonstrated new tactics of struggle against democracy. If the unreasonable electorate don't vote in favour of the opposition, the latter "will have" to seize power in a revolutionary way.

The opposition's political platform is the "Russian national idea" as interpreted by the right extremists. It includes restoration of the Russian empire within the confines of the former USSR, rejection of the evils of democracy and the free press, the return to the state-run economy, purging of non-Russians and free-thinkers, imposition of a military-police regime under the guise of a struggle against crime.

Communism is dead. Long live nationalism?

The prospects of fascism

The fear of plots and struggle against satanic forces are the salient features of Russian neo-fascism

Walter Laqueur

In the ninety years since it first appeared, the Russian right has not made any significant progress. It has neither advanced towards the acceptance of democracy nor has it made the transition to fully-fledged fascism.

Hitler through the backdoor

There have been certain changes, 19th century Panslavism no longer makes sense in the contemporary world and it has been replaced by Russophilia. Some Moscow intellectuals have been borrowing heavily from the post-fascist French *nouvelle droite*.

While Communism was in power and the Soviet Union existed, racialism could not be openly preached. It was incompatible with Marxism-Leninism even in the Stalinist phase, it would have been suicidal from an anti-Communist point of view, for the Whites stood, after all, for one Russia, united and indivisible.

Once Communism was declared bankrupt and the Soviet Union fell apart, it was probably too late for a native Russian fascist movement. Soviet leaders, on the whole, shielded their people from a surfeit of information about Nazism and Italian fascism; for over half a century only a handful of books were published about this subject, none of them very illuminating, and many aspects of fascism were altogether tabu. But even the least informed Russian knew that Hitler was not a good man, that the Nazis had treated the Russians (not just the Communists) as subhuman beings and that they had killed millions of Russians and caused immense destruction. All this is too deep in popular memory to permit a reanimation of Nazism at the present time. The most that can be attempted (and is tried) is to introduce national socialism through the backdoor, without any reference to Hitler, Mussolini and historical fascism.

There may yet be another reason which makes it very difficult to preach unalloyed fascism in present-day Russia and this is, paradoxically, the resemblance with Stalinism.

The Russian ultra-right stands for authoritarian government. But the "cult of the individual" such as it existed under Hitler and Stalin cannot be propagated in Russia now except, perhaps, among the most backward sections of society. The same, *mutatis mutandis*, applies with regard to the central role of the state party, an essential fixture of fascism. Rusians have been immunized at least for some time to come against the leading role of a party of this kind under whatever guise.

A pre-fascist political group, such as the Black Hundred, has certain features in common with similar such movements elsewhere. Mention has been made of anti-liberalism and anti-capitalism as well as militarism and the belief in the central role of the armed forces in domestic as well as foreign affairs. Another typical feature is the myth of decadence and national rebirth, the belief in an organic and hierarchic state and in a historical *Sonderweg* (a special development and mission) – all this can be found in the history of the extreme right in other countries.

But there are certain features specific to the Russian right, at least with regard to emphasis. This refers above all to Satanism, the Judaeo-Masonic plot and Russophobia.

The persecution mania

As has been shown, all fascist, para- and pre-fascist movements believed to some extent in conspiracies, none liked Jews, freemasons and detractors of their respective history and culture. But in no other country were the ultra-right patriots hypnotized to the same degree by the intrigues

Prof. **Walter Laqueur** is Director of the Institute of Contemporary History in London and Head of the International Research Council of the Centre for Strategic and International Studies in Washington. The author of books on terrorism and contemporary history of Europe, primarily on Germany and Russia.

Walter Laqueur also has Russian roots. The death certificate of Russian Emperor Alexander I was signed by one of his ancestors, Boris Laqueur, physician, in Taganrog.

Limonov as the mirror of the new Russian revolution

On the day when the "patriots," having divided, according to the strength of their lungs and their social status, into two groups, one of which launched an assault on the TV Centre and the other of which made speeches in the House of Unions, the newspaper *Sovetskaya Rossia* (Soviet Russia) published a lengthy "Manifesto of Russian Nationalism" by Eduard Limonov. In spite of the section "My position," in which the article was placed, the "Manifesto" can be unmistakably identified as a programme of a party which is emerging in front of our eyes. Limonov affirms and demands:

Russian nationalism is equally the heir to both Peter the Great and Lenin;

Russian nationalism does not recognize the unconstitutional destruction of the USSR;

The borders of the Communist era must immediately be revised;

Everything which is good for my state is good for me. Everything is in the state, nothing outside it;

Russia's future lies in union with Islam. The West has proved to be Russia's enemy. It has successfully attacked Russia and is winning, using the most up-to-date weapons – "democracy" and "human rights"; the consequences of the use of these weapons are deadlier than those of a nuclear attack;

All basic elements of genuine democracy have been neglected in Yeltsin's Russia;

All the Gorbachevs' and Popovs' *dachas* should immediately be handed over to children and the elderly;

The Army is the first sign of a civilized nation;

The nation should pass through a period of economic dictatorship;

Police should be granted full freedom of the choice of means to fight crime. No warning shooting in the air – only at the target;

If the regime refuses to hold elections or if, having held them, it falsifies their results or refuses to recognize them, a NATIONAL REVOLUTION must be staged.

and other hostile actions of enemies that were almost entirely imaginary – and in any case of no great consequence.

In both Britain and France the dramatic events of 1789-93 induced some contemporaries to see the key in a giant plot of philosophers, illuminati, freemasons, Jesuits and various cosmopolitans. In Germany, this phenomenon appeared even several decades earlier and it playeod an important role in the genesis of German conservatism. But by the middle of the 19th century, at the very latest, Western conservatism had outgrown these fantasies. They tended to recur, but never for very long, and they survive only on the margins of political life. Fascism was afflicted by many myths, but the paranoid fear of plots was never very central in its doctrine. It was (and is) only in Russia that this issue has been of paramount importance.

The politics of paranoia

The Russian extreme right has high propensity for various manifestations of persecution mania and the belief in conspiracy theories. One relatively harmless is the assumption that whenever a ruler died from Ivan IV's son Dmitry, to Alexander I to Stalin there had been either foul play or the ruler had not died in the first place but was spirited away. The same is true, *a fortiori*, with regard to the death of the idols of the right. In a mild form such delusions appear in many countries by thriller writers, movie makers and also the lunatic fringe. A certain part of the public has always a weakness for stories based on plots and conspiracies, it is the lure of the detective story.

Solovyov believed that the Russian people had the inner strength to cure itself. But he also conceded that hallucinations had caused the ruin of nations.

This uncannily accurate description of the specific affliction of the Russian extreme right was written exactly one hundred years ago, well before the emergence of modern psychiatry. The general situation in Russia was stable at the time, the revolution of 1905 had not yet occurred, the "Black Hundred" had not yet appeared on the scene, the concept of Russophobia had not yet been invented. Yet there was even then a firm belief in imaginary conspiracies. This has been an essential part of the mental make-up of the extreme right ever since. If some were willing to accept manifestly absurd ideas in a calm era, how much greater the danger of a descent into collective madness at a time of real disaster.

Fighting satanic forces

Students of Russian conservatism have noted its strongly utopian and metaphysical character; perhaps nowhere else has the right shown so much disdain towards pragmatism and commonsense.

The compulsive belief in conspiracies is not a Russian monopoly; Richard Hofstadter in a famous essay has called it an "old and recurrent mode in our life." The anti-masonic fashion of the 1820s and 1830s was followed by a wave of anti-Catholicism in the USA and this tradition in one way or another has continued to the present day with the fantasies on President Kennedy's murder as a recent example.

The paranoic style is part and parcel of Middle Eastern, particularly Arab, politics. It can be found in France, Italy and Japan, on the extreme right as well as on the left. An identical picture of a paranoiac of this kind can easily be drawn; he believes in an all-powerful enemy, with whom no compromise is possible and who has to be destroyed quickly, for time is running out and the apocalypse is at hand. The enemy controls everything in the land. To defeat the enemy everybody has to be suspected. The paranoiac will adduce masses of facts, especially on cruelty and sadism. Some of the facts may well be correct, but then suddenly there will be a quantum jump from one set of facts to another, which is breathtaking and totally irrational.

Thus, to give but one example a paranoiac may present perfectly correct details about the youth in Germany of Mr Henry Kissinger. He will then present an accurate historical survey of the Nazi party. Then – the jump; Mr Kissinger was born and lived the first sixteen years of his life in Fürth, a town adjacent to Nuremberg where the Nazi party rallies took place. Therefore he must have been a prominent Nazi leader, or alternatively, the Nazi leaders must have been Jewish.

But it is also true that most of the time such fantasies have been limited to sects of the extreme right and left, whereas a majority of citizens irrespective of their political opinions have not been given credence to manifestly absurd ideas.

In Russia, large sections of the right, not only its lunatic fringe, have shown stubborn resistance against accepting the realities of politics. Instead, the search for the hidden hand of the satanic forces has dominated its thinking, just as a similar pattern shaped Bolshevik mentality for many decades. It is a well known fact in the life of individuals as of nations that facing a clear and present danger may have a sobering effect, curing at least temporarily manias of this kind: a person in danger of drowning will understand, one would assume, that the real danger is not been chased by lions in the desert. To what extent did the Russian crisis of survival have a sobering effect on the thinking of the right?

Fear of "liberals-assassins"

The record leaves not much room for optimism. A few examples chosen more or less at random should suffice. Thus, the belief that there was a marshalls' plot against Stalin in 1936-37 has not been given up, even though there was never any reason to believe in its existence. The evidence adduced by the conspiracy theorists for their allegations is either non-existent or preposterous. The main witness is the "German historian Paul Carrell" (Schmidt), the author of several popular histories of the Second World War. Carrell's (Schmidt's) books were published almost thirty years ago, they contain no serious factual evidence pointing to a Tukhachevsky conspiracy. The other witness is Isaac Deutscher who in his Stalin biography (1949) among other strange and

It's us, Edichka!

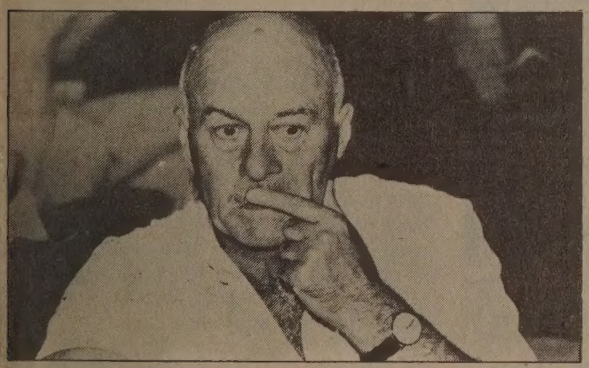
A resident of Paris, Eduard Limonov, has no monopoly on patriotism. Various personages have claims to the role of spiritual leaders of 150 million people.

The leader of the Russian Communist Workers' Party Victor Anpilov: Communism is precisely the "Russian national idea"

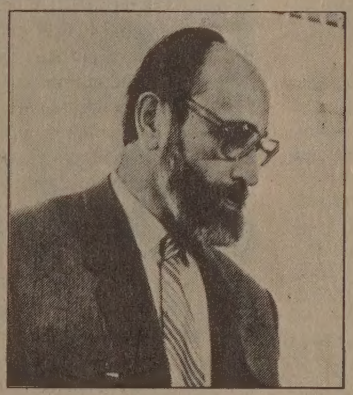
The Governor of Sakhalin Island, Valentin Fyodorov, improves his chances playing the role of the vice-chairman at the Russian Sobor

The trenches of the Dniester Region were only an "adjustment of fire" for General Makashov; the main field of battle is in Moscow

Valentin Rasputin and Vasily Belov: let down by ideology



Stanislav Govorukhin understood that "one can't live that way". But does he look for the "Russia we have lost" in the right place?



A heavy-weight Yuri Vlasov opening the Sobor

mistaken ideas, expressed the view that there might have been a plot. He too, had no evidence, and in later editions of his book, albeit reluctantly, dropped his claims. In a similar way, the Russian extreme right continues to believe in the Doctors' plot of 1953.

Another frequent manifestation of persecution mania is the belief that virtually all leading members of the extreme right who died have in reality been killed by "satanic forces." The allegations that Lermontov and Yesenin were assassinated by political enemies have been mentioned. When two leading antisemites, Begun and Yevseev died in 1991, and when a third, Smirnov-Ostashvili hanged himself, it was taken as self-evident that they had been killed by the liberals. The same argument was made openly or by implication with regard to lesser figures ("he died of a stroke or an internal bleeding or cardiac insufficiency. We all know what this means...") There were in each case loud and frequent demands to open investigations to apprehend the real murderers.

On the last day of 1991 a right-wing militant named Nikolai Kislov hanged himself in St. Petersburg. The Moscow suburban periodical *Puls Tushina* (26, 1992), one of the Black Hundred organs, immediately announced that he had been murdered and demanded a special investigation. The reason given was, the glasses of Kislov were not found at the place where he had committed suicide.

Gorbachev as "agent of the world Zionism"

General Victor Filatov and the writer Dmitry Balashov are well known figures on the Russian right. Filatov was the editor of the *Voenno-Istorichesky Zhurnal* (Military History Journal) when it published (with the moral support of Marshal Yazov and the general staff according to Filatov's words) excerpts from Hitler's *Mein Kampf*. This publication was no doubt done, as Filatov has argued, out of purely academic interest and to give Russian readers a fuller opportunity better to understand the intellectual history of our time. More interesting is Filatov's claim that the U.S. Congress (sic!) following Zionist commands decided to pick certain Soviet leaders, such as Gorbachev, Yakovlev and Shevardnadze, to carry out U.S. congressional orders to destroy the Soviet Union.

In his writings Balashov shows a measure of scepticism and tolerance. He concedes that the old "Judaeo-Masonic conspiracy theory" is too simplicistic to make sense in the modern world if taken literally and that the idea of "world domination" is both crazy and impractical. However, within a few minutes of having made these far-reaching concessions to common sense, Balashov finds himself back in the old world of plots – the murder of Stolypin, the German-American-Jewish gold paid to Lenin, Ahad Ha'am as the secret ruler of the globe and the Protocols.

A colleague of Balashov, the highly respected right-wing critic Mikhail Lobanov has compared the democratic conspiracy to a hydra with thousand heads programmed to "subjugate all of us to a satanic, masonic world government." The equally famous poet T.Glushkova has written about the "thoroughly coordinated character of the anti-national conspiracy."

Underlying such judgements is the conviction that the real truth about world events is not the one published in the mass media, talked about by political leaders in West and East, described by politologists and academic historians. It is carefully hidden underneath and open to understanding only to a select few. Only they have the capacity to identify the real forces shaping historical events, the true interests and de-

signs behind the world of make believe, which, most people mistake for the real world.

The same applies to the world in general. Thus, to give one last example, only simpletons believe that the German economic miracle was the result of the Marshall Plan, the currency reform, the existence of a skilled labour force, of German hard work, initiative, business and political leadership, cooperation between trade unions and big business. For the true explanation one has to look on a deeper level: under Hitler trillions (sic!) of dollars were exported abroad. Mainly to Latin America. They were invested there in the narco-traffic; from the profits of this business the German miracle was financed, according to the article by Sergei Kukginyan published in Leningrad Communists' newspaper *Narodnaya Pravda.*

Embracing conspiracy theories sections of the Russian right have surrendered reality and reason. One cannot put the blame on the trauma of 1991 for many of these fantasies existed well before.

It is difficult not to feel sympathy with Russian patriots facing a world in which there seem to be but few rays of hope. It is legitimate to ask why the Russian people should be the subject of so terrible tribulations. But no blows of fate justify subscribing to the kind of madness that has been part and parcel of far right doctrine. Conspiracy theories are the opium of right-wing extremists; once the habit has been deeply ingrained, it seems exceedingly difficult and painful to shed it.

A Führer is bound to appear

Much thought has been given by students of twentieth century history to the determinants of the growth and success of fascism. It is by now common knowledge that, as in the case of Communism, "objective conditions" are not sufficient by way of explanation. Objective conditions – economic crisis, breakdown or absence of democratic institutions have frequently existed. But unless there was a Führer, a duce who together with likeminded followers created a dynamic mass movement, such opportunities have passed unused.

Experience does not bear out the assumption that once the objective conditions exist, the leader is bound to appear anyhow sooner or later. His presence is a historical accident, and for this reason predictions about the likelihood of the seizure of power by a fascist movement are risky. While it is not impossible in the case of contemporary Russia it still seams unlikely, be it only because of the fissiparious character of the Russian far right.

It is easy to think of reasons that seem to favor the growth of some extreme nationalist movement – the feeling of national humiliation following the breakup of the Soviet Union, the need to pursue an assertive policy vis-à-vis the former republics in view of Russian interests and the presence of many millions of Russians abroad; the bad economic situation and the need to engage in unpopular reforms; the frequent impotence of the authorities in face of a breakdown of law and order; the fact that democratic institutions are not deeply rooted in Russia; the traditional psychological need for a strong hand; the old Weimar dilemma of how to run a democracy in the

Vladimir Zhirinovsky has problems finding a place among like-minded ones: at the Russian Sobor, he was admitted only to back seats as a son of a "wrong father"

absence of a sufficient number of democrats; the deep divisions on the left – all these and other circumstances seem to bear out those on the Russian right who have claimed for a long time that time works for them.

Indeed, some observers have argued that the prospects of Naxism in 1932 were less good than in Russia at the present time, be it only because when the German crisis came, democratic forces had been in power for more than a decade. And is it not also true that post-Communist Russia is repeating the mistake committed by Weimar – to give absolute freedom to the enemies of democracy? A fully fledged fascism still seems unlikely in Russia. An authoritarian system based on some nationalist populism appears more probable. The blueprints for a national socialism have existed for some considerable time – the Russian national idea (as interpreted by the far right) based on a "union between labour and capital," a broad political movement, or in its absence, the security forces, assuming the necessary functions of control in society.

Totalitarian revolution and liberal reform have failed. Neither the international proletariat nor the fellow Slavs, nor the other nations of the former Soviet Union have shown enthusiasm to link their fate with the Russians. In the circumstances a retreat to the nation seems the logical and the only possible response. Other nations have reacted in a similar way at a time of crisis. The slogan *nashy* (ours) is an equivalent for *Sinnfein* which means "we alone."

The references to the glorious deeds of the virtuous ancestors, of a golden age, a paradise lost and to be regained are, of course, mere myths for there was no golden age. But myths still have their use and if all other bonds have broken down, why disparage the appeal to nationalism in order to mobilize a people to undertake the giant efforts that will be needed to extract it from the morass and to build a new base to its existence?

The temptation is great, but the doubts whether such an appeal will achieve its aim are even greater. Nietzsche once wrote that to be a good German means to de-Germanize oneself. The same may well apply to Russia in its present predicament.

What Nietzsche had in mind was, of course, not to accept slavishly some foreign model, not to shed old traditions just for the sake of making a break with the past – this has been tried from Peter the Great onwards and did not work too well.

What Nietzsche did have in mind was that "if a nation advances and grows, it has to burst the girdle given to by its nationalist outlook." What Russia now needs, the glorious past and the virtuous ancestors cannot provide – namely to build a new economy and a new society.

Nationalism has its great uses to mobilize the resources of a people against foreign enemies. But the threat facing Russia now does not come from the outside. To the rebuilding of the country nationalism *per se* cannot make a decisive contribution. It can appeal to the historical and cultural cohesion of the people, to the common values shared, to idealism. But it has no specific ideas to offer derived from Russia's past.

All this refers to moderate nationalism; the ideas of the extreme right are not only mad but evil. By creating foes where none exist, they deflect the energies of the nation from coping with the real dangers from where they are most needed – the immense work of reconstruction.

If their views were to prevail, they could well achieve wherein neither Hitler nor Stalin or his successors succeeded, the total ruin of the country. At present this seems to be a far fetched proposition for the Russian people is no longer an ignorant herd.

Furthermore, Stalin and the Soviet system have inoculated it against the grosser forms of madness. Who then will help Russia in its present predicament? The reply, paradoxically, is contained in Eugen Pottier's song that was for decades the official anthem of the Soviet Union: Help will not come from outside, neither God nor a master will bring salvation. It can come only through the Russian peoples' own efforts, its good sense and its fortitude in adversity.

Toughs amidst the oaks

The Russian Party, Working Class Moscow, the Commie Comrades and sundry other intercessors for the people mucked up our neighbourhood over that week. Who's going to clean up?

I happened to find myself in the very midst of events that the mass media highlighted over the past week. At the central entrance to the Ostankino TV Centre, loudhailers roared, and the flags of the USSR and the Russian empire waved, while across the way the tents pitched in the small oak grove were mottled with red flags, interspersed with white-yellow-black banners, and along the perimeter a string of horrid anti-Semitic slogans ran for all to see. To get to the dairy shop which is right by the railway, past the TV Centre and local pond, I was obliged to run the gauntlet.

I saw milling around the central entrance some 30 to 100 people, and roughly as many in the 20 tents or so. To the thundering strains of old-time Soviet songs each carried a banner or slogan. There were practically no idlers. I realized that the men funding this action wanted something done for their money. Hence one took care of tents, another painted a slogan, a third brandished a banner, a fourth played the records, while a fifth spewed out something from a loudhailer. In short, everyone was busy. I think, I rightly figured one of the financial backers, to wit, Korchagin, chieftain of the "Russian Party," who issues to each Russian a one-million ruble "certificate." He is well nigh our first cooperative businessman, and there was a time when virtually every newspaper extolled him. Time and again his visage could be glimpsed on TV screens. I was "lucky" enough to spot him in the flesh.

Generally speaking, if I were to tick off everyone there, my Russian televiewer would have seen them before. Take that elderly lady in curls and kerchief with that pious, sad face, who seems to turn up at every rally of Working Class Moscow and is always on point duty outside the Lenin Museum. Let her humble appearance fool no one – she spews out curses in a foghorn voice and is always prepared at the slightest pretext to engage in scuffles.

Take the notorious Anpilov hoarsely roaring into a loudhailer. Or writer Prokhanov, who is up on the top of a truck. His pants have ridden down his potbelly, the breeze ruffles his liberal uncut hairdo, while his stretched-out hand indicates the TV Centre as he yells: "When the time comes, we'll pump our Russian spirit into this huge cube." Or Sazhi Umalatova, who primps and preens convinced by reporters that she radiates charm. Or finally, Baburin, whose cheeks radiate an ever rosier glow the harder life grows for the people he seemingly cares so much for.

Muscovites travelling downtown away from the TV Centre angrily decried the loafers and provocateurs. My neighbourhood folk are most unhappy about that oak grove, which the Russian Party, Working Class Moscow, the Commie Comrades and sundry other intercessors for the people have mucked up so much over that week. After all, even in town there are not enough public lavatories to go around.

Once I overheard a couple of ladies lambasting Mayor Luzhkov for having momentarily dispersed the thousands of hawkers, yet doing nothing to chase away the Black Hundreds. They censured Moscow's sanitary-hygiene chief Shestopalov for complaining of the dirt free-hawking left, but saying nothing about the piss amongst trees in the middle of Moscow. They castigated Ostankino TV head Yegor Yakovlev for negotiating with anti-Semites and hoods. Would he promise screen time to rapers and killers too? True, at one moment one of the two cautioned the other to pipe down because of the neighbourhood.

I couldn't but intervene to note that the neighbourhood was a good one, as nobody from the high-rise blocks of flats around, even the local drunks, flocked to this "rally."

Though I would not like to say so, Anpilov, Prokhanov and Korchagin assembled naught but riff-raff who yelled after every passing journalist: "You've sold the country down the river, you bastard! We'll soon hang you traitors to the Russian people on the lampposts! You aid and abet the CIA and serve imperialism! You venal beasts, you shitty democrats, you demofascists! We'll soon be in the Kremlin and will behead your Yid Benji Yeltsin in Red Square!"

For five hours odd state officials negotiated with this scum. Give a thought to the way the country has been thus humiliated. For several days running our lovely neighbourhood was openly desecrated by criminal toughs. A shameful spectacle that everyone could see.

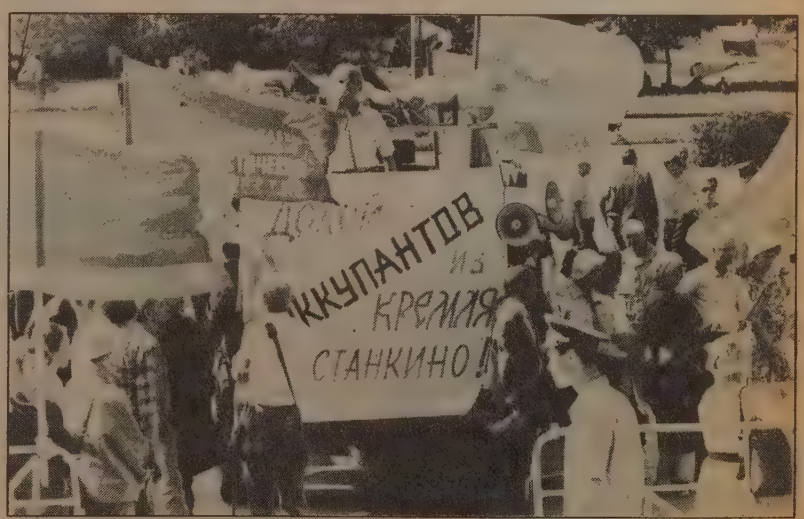
TV journalists had to run a fascist gauntlet. The hooligans spat at them. Some even poked flagpoles at them, while others even shouted out that they were all Kikes and should scram to Israel.

Can one really plead with the city fathers to be magnanimous towards fascists?

When I came back from the dairy carrying a few cartons of milk that had been almost the last going, I switched on the radio and heard: "This night the Moscow police dismantled the tent town in Ostankino... Of course, it is easier to use force than democratic methods against the opposition... The opposition's right to screen and radio time cannot be denied..."

Nobody thinks of infringing the opposition's rights. But who on earth considers hoods, bandits, anti-Semites and fascists opposition?

Tatiana Ivanova



In October 1917 Communists began with the seizure of the post offices and the telegraph. In June 1992, Russian nationalists want to seize the TV Centre

Summarizing summit

Astonishment. Relief. Profound satisfaction. Even some confusion. That was what Americans felt when they heard of the sensational accords on new nuclear cuts for Russia and the USA. The US Congress was enchanted with Yeltsin's virtuoso speech. He firmly declared that the communist ogre would never re-emerge in Rusisa, that "today America's freedom is defended in Russia." American legislators were impressed by the Russian President's desire to help as regards the most painful problem of finding out what may have overtaken Americans trapped in the Soviet empire.

Boris Yeltsin won the hearts of US Congressmen. Will he be able to subdue the Russian Supreme Soviet?

Roses, song and "veal ambassadeur"

Washington went out of its way to shower Yeltsin with top honours. George Bush not only made Yeltsin one of his bosom friends, but even compared Russia's August revolution to the American Revolution and Yeltsin to Peter the Great. The US Chief stressed that his colleague was Russia's first ever popularly elected president – which, incidentally, Gorbachev could not boast about. Meanwhile Yeltsin endlessly mentioned "my friend George," while "friend George" invited "friend Boris" to share in his favourite hobby, that of fishing in Chesapeake Bay.

Around dozen times the US Congress demonstrated what we were used to styling "stormy prolonged applause. All rise. Shouts of Boris! Boris! Boris!"

The state banquet, given in the Russian President's honour was top level. The distinguished guests, the flower of the nation, dined on pink tablecloths and wiped chins with pink napkins, as they breathed in the scent of pink roses and admired pink peonies. There was a time when "pink" was an American cussword designating a communist fellow-traveller. Now that the citadel of communism has caved in, the blameless pink has been fully reinstated.

A marine band played and soprano Carol Vaness entertained. Served up with Califor-

nian wines were "California Beluga Sturgeon under Sauce Diplomate" – most appropriate! – and "Roast Loin of Veal Ambassadeur."

Russia is Russia

The honours were an important but only outer symbol of attempts by Washington and Moscow to impart the totally novel quality of amity to bilateral relations. To say we are now allies is too strong. After all, the USA has allies ranging from British seas to Thai boondocks. To call it a partnership is too weak, as that came in with Gorbachev. Calling it amity hits the nail on the head. Yet back home we have devout Commies, who think that lurking behind it all is the sinister shadow of imperialism seeking to enshacle Russia.

Listen now to what Mr Peter Tarnoff, President of the influential New York Council on Foreign Relations, and Mr John Mroz, director of the Institute for East-West Security Studies, who is closely associated with the White House, have to say.

Peter Tarnoff: Good relations between our two countries do not mean we should see eye to eye on everything. It remains to see, whether given the different national agenda of the United States and the mounting role of economic factors, Russia can be counted a significant partner or not. I think that to the extent the US remains involved internationally, especially in the UN, Russia is a privileged partner.

John Mroz: Most Americans feel friendly towards your country. Even during the cold war, when the political and ideological leaders of the two countries fought, Americans and Russians never hated one another.

New Times: What would you tell Russian politicians claiming that Washington seeks to reduce Russia to a third-rate role?

John Mroz: America had no sinister plot, moreover it hasn't any now. If we really sought to downgrade Russia, it would be enough to deny her economic aid and let her screw around for another couple of decades. However that would be counter to America's national interests. Now and again Russians ask me why the Americans are helping Russia, which at some time in the future could compete with US economy. That does not matter, and it is thanks to taxes levied on senior generations that the US has restored Germany and Japan who are now clubbering us economically. It would be of course illogical to go to war with them over that, as it has to be understood that the world has changed and that the understanding of national interests has changed with that.

I have been interested in Russia for some thirty years and very well realize that Russia is Russia after all.

Kingly gesture

When George Bush and Boris Yeltsin came out into the Rose Garden to announce the new cuts in strategic offensive weaponry, all gasped.

The scope was truly impressive. After all, the Americans have gone further than President Bush's January proposal, agreeing to reduce nuclear arsenals to some 3,500 warheads by the year 2003 if not 2000, while Russia is to reduce warheads to 3,000. This means that in the upshot of last year's strategic arms limitation treaty, plus the current Yeltsin-Bush accords, the current strategic missilery of the two countries will be cut to a third.

The Americans made one more significant concession when they agreed to reduce their submarine-launched MIRVs by half instead of the originally envisaged one third.

However, the Number One sensation was Russia's President okaying the full demolition of MIRVs, which is tantamount to the abolition of US MXs and the readaptation of Minuteman-3s to just one warhead. At stake is abolition of the backbone of Russia's "deterrent," namely, the heavy SS-18s and SS-24s.

Yeltsin rationally explained his decision as mirroring the fundamental change in bilateral relationships, especially the two presidents' personal confidence in each other and emphasized that the race for ominous parity had only impoverished more than half of Russia's population. He stressed that we would never fight one another.

Many American experts are happy, yet somewhat dismayed at the impending abolition of the sacramental SS-18s. They wonder how simple it all is and that unwanted is the tedious tallying of potential nuclear arms systems, or the search for a sensible equation.

I well realize that the Russian side was motivated by more serious concerns than missilery and that it was under heavy pressure from the US administration, which has its own cards to play and its own reasons, some of which are imaginary. Only time will show whether the said decision was a stroke of genius or window-dressed simplicity. "After these cuts are completed in ten years, the cold war balance of terrror will be replaced by a new imbalance," *The New York Times* comments, and goes on to say: "The United States as the world's biggest superpower and de facto policeman will be allowed to maintain an edge in its advanced, mostly defensive, submarine-launched weapons, while the Russians, who can no longer afford the arms race, will accept a secondary status."

Listen again to what Mr Mroz and Mr Tarnoff have to say.

NT: What would you tell Russians who believe the current accords imply betrayal of Russia's interests and wonder whether the new relationships with America are worth such concessions?

J.M.: One should follow Kierkegaard's advice and take a leap of faith, that is to believe or not the possibility of long-term bilateral amity and partnership. Surely, we could return to those times, when we were allies in another war and so combat poverty, economic backwardness and environmental pollution.

P.T.: The cuts will affect both countries, as a result of which the USA will not have much of an edge, as this would be an approximate parity at low arms levels. The Russians, the Americans and the entire world should rejoice at having reached such a level of confidence whereby to abolish two-thirds of nuclear arsenals, which had been understandably built up not forever but because they had regarded one another as a menace. But today there are no political reasons for retaining these arsenals and such attempts to hang on the past would be simply a paralysis of the mind.

NT: What do you think about nuclear weapons, which though really cannot be used, remain a major leverage in world politics? After all, it had been not for nothing that the British, though the Americans' closest allies, developed their own A-bomb.

J.M.: We should take a differnt look at what really defines the status of a great power, even a national state nowadays, the more so in the coming 21st century. Unless Russia gets her economic house in order, unless she is capable of feeding her own people, she

will be a universal laughing stock despite her missiles.

P.T.: Nuclear weapons served as political leverage during the cold war period when their use was conceivable, but now that this is out of question, the political role nuclear arms can play has diminished. After all, can America's 11,000 or 12,000 strategic warheads help resolve our trade disputes with Japan?

No super-alliance

The summit fundamentally helped to define the coordinates of Russian foreign policy.

The American trend enjoys traditional priority, which is logical as the USA continues to be the West's leader.

Moscow wants amity and close partnership with Washington based on common democratic values. The White House reciprocated by recognizing Russia as a great power and a major contributor to a new world order.

Paradoxically enough, many American commentators think that now that new missile cuts are agreed, the nuclear problem is secondary in the Russian-American bilateral relations. Today economic problems are at the pivot in these relations, and this is vital though not the most advantageous of roles for Russia.

Considering the summit from this angle, one must necessarily note that a definite stride forward has been taken in the furtherance of Russia's economic reforms.

There is every reason to believe a common effort will get the obstinate IMF to sign the accords on Russia's reform programme.

Naturally, much hinges on Congressional sanction of the US contribution to the $24 billion Russia aid package. Yet there are some other avenues, though aid in that case might diminish.

On the whole, the summit has spelled hopeful news for Russia's market reforms.

I asked the two American experts what they believed the new world order would be like.

P.T.: In a certain sense the current summit could be called the last tackling the last of the cold war's major problems, that of ground-launched MIRVs. Later such summits will be more run-of-the-mill and attract less interest in America.

J.M.: People should not think the two countries are going to form a super-alliance to dominate the world. On the contrary, they should take a new look at international politics and revive globally the post-Napoleonic European accord, which would fully negate any policy built on a balance of force and confrontation.

Yevgeny Rusakov,
NT correspondent
NEW YORK

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THIS WEEK

Boris Yeltsin's official visit to the United States has evoked numerous comments in Russia. Opinions about its results vary widely. The visit has been described as "historic," "sensational" and "unsuccessful." The argument over it will apparently continue for a long time. The opponents agree, however, that the programme of the visit was congested. The agreement on strategic arms reduction is assessed by right-wing political forces as a blow to national security, an unjustified and unilateral concession to the United States. Patriots threaten Yeltsin with penalties of every kind for "betrayal of the national interests of Russia."

* * *

Comments on Yeltsin's visit to Canada, where he flew to straight from the United States, have been restrained. The President met with Prime Minister Mulroney, addressed the parliament, and talked with leaders of opposition parties. Bilateral agreements on closer political and business cooperation between the two countries were signed during the visit.

* * *

The state visit of Ukrainian President Leonid Kravchuk to France was apparently connected with his persistent efforts to gain for his country the status of a full-fledged European power. He seems to have found understanding and support from President François Mitterrand on this question. During his stay in France Leonid Kravchuk signed the Paris Charter of the Conference on Security and Cooperation in Europe. The two presidents signed a treaty of friendship and cooperation between Ukraine and France. Concrete areas of bilateral cooperation were defined. They include, in particular, aircraft construction, the security of atomic power plants, conversion of defence-related industries, and the processing of farm produce. France expressed readiness to assist Ukraine in the transition to a market economy and the introduction of a national currency. François Mitterrand welcomed Ukraine's intention to become a non-nuclear state.

* * *

A new political bloc, Civic Union, has been formed in Moscow. Judging by its composition, the union promises to be an impressive force in the Russian political scene. Its backbone is made up of the People's Party of Free Russia, the Democratic Party of Russia and the all-Russia union Renovation – in other words, of the parties led, respectively, by Alexander Rutskoi, Nikolai Travkin and Arkady Volsky. The founders of the Civic Union do not conceal their intention to play the role of a constructive opposition to the government of Yegor Gaidar. They assert that they have their own ways of solving the urgent problems of reforming Russian society and making a leap to a market economy – ways considerably less painful than Gaidar's "shock therapy" and therefore acceptable to the population. In their opinion, the present government is rushing too hastily in the process of transforming the economy.

* * *

After the Russian Parliament rejected the proposal, by democratic factions, to discuss the pro-communist Working Russia protests near Ostankino TV centre in Moscow, they launched a counterattack. The Radical Democrats, Democratic Russia, Non-Party Deputies, Coalition in Support of Reforms and other groups issued a statement on the political situation in the country related to increased activity by extremist forces. They urged the President, the government and other bodies of authority "to put an end to anti-constitutional actions, using legal means." "We call on parties, public organizations, all democratically-minded citizens to join us and bar the road to fascism and civil war," the statement says.

* * *

Turkmen President Sallarmurad Niyazov has been re-elected in a poll in which he was the only candidate. In his election programme Niyazov, a steady man, laid emphasis on the preservation and strengthening of interethnic relations in the republic and on cooperation with all countries in its foreign policy. The newly elected President again named the Russian Federation as the main partner of Turkmenia.

* * *

The situation in the trouble spots of the former USSR has almost simultaneously taken a turn for the worse. The Azerbaijanian army continues to attack, with intermittent success, the positions of Armenian forces in Nagorny Karabakh. Heavy fighting is raging in the town of Mardakert. In South Ossetia, Georgian armed groups are waging a war of extermination against the people of that autonomous republic. In Bendery, the Dniester republic, fighting has broken out again between Moldavian troops and police, on one hand, and the guardsmen of the Dniester republic on the other. Shortly before the resumption of fighting it seemed that the road to peace had finally opened there.

Fuel has been poured on the fire by statements of Georgian, Russian and Moldovan leaders. The statement by Ruslan Khasbulatov, who condemned Georgia's actions in South Ossetia, has trigged a sharp reaction in Georgia. It was followed by Alexander Rutskoi's tough statement on the situation in South Ossetia and the Dniester republic. As of last, the Russian government has made public its two statements, on South Ossetia and the Dniester republic, in which it vigorously came out in favour of a political settlement of the conflicts. Moldovan President Snegur and Georgian leader Shevardnadze interpreted these statements as interference in the internal affairs of sovereign countries, as "a return to Russian great-power thinking." The exchange of statements obviously did not reduce tension.

* * *

Mikhail Gorbachev, president of the international fund for socio-economic and political studies, didn't choose the best time for his visit to Israel. He was invited there by a number of Israeli higher education institutions. While he had talks with the Prime Minister and other political leaders of Israel, visited universities and received prizes, zealous members of the Working Russia organization padlocked the entrance to the fund building and didn't allow employees to enter.

* * *

A world congress of Tartars was recently held in Kazan. Delegates form the United States, Turkey, Finland, Australia, Canada, Romania, Poland, France, Japan and China discussed problems of enhancing the national self-awareness of the Tartar people, promoting contacts between Tartar communities in different countries, and expanding cultural and humanitarian cooperation.

* * *

A lack of cash has become a serious problem for many enterprises and organizations in Russia. In Kamchatka, the local authorities have found an original way out of the situation. The first step was taken by a food processing factory at which its own produce, vodka, was used instead of salary. The number of people wishing to work at this enterprise increased sharply in no time.

Per aspera...

Russian parliamentary democracy is 3 years old...

A few days ago a new infant prodigy made his appearence on TV. This boy of 9 recited his own verses which surprised one with their rich political content, extemporizing, like a first-class politician, on the theme of the Congress of People's Deputies. He recommended not to supply them with food, thereby causing their departure on their own accord. It was a poetically metaphoric demand to "disperse" the Congress.

Well, we've seen the Congress with our own eyes – it truly does deserve criticism, and the child speaks out what he hears from grown-ups. I was hurt by something else – the infant prodigy was interviewed by the host of the TV show *Vzglyad* (Outlook) Alexander Politkovsky, himself a People's Deputy. He didn't even ask the boy whether the young poet understood what he was talking about. Certainly, a lecture on the necessity to esteem the state would have been out of place in this context, but one small question wouldn't...

Street vendors

And what if the 6th Congress of People's Deputies of Russia (as well as, incidentally, all other previous congresses, including Union ones) had been held in a "correct," exclusively "businesslike manner," without dull discussions over procedural matters and irritating immaterial remarks? If the wise presidium had directed discussions only in the right direction? Yes, it would have been a Supreme Soviet of the "prior to 1989" type.

Such is the nature of democracy that wisdom of some delegates doesn't rule out unbridled stupidity by others. This should not be ignored in the assessment of the recent Congress, which, however, is done by politicians, publicists and even by nursery school infant prodigies. The proceedings of the Congress have been scrutinized, all personal vote-lists published, all leaders censured.

And what's the conclusion? To dissolve...

According to a rather popular opinion, the 6th Congress has discredited both itself and the very form of representative power which has just emerged in Russia and somehow persists. The Congress resembled a costly public rally rather than a legislative body – although its delegates had been elected democratically, yet under partocratic pressure; the body itself split into two, either half will kill any initiative by the other; the delegates are more concerned with preserving their mandates and privileges rather than with the destiny of the state, etc. Enough claims, and all of them serious enough. Yet was the Congress really so hopeless? Was it really alien to legal and democratic principles and common sense?

The market and democracy are fast chained to each other, or, if you so prefer, they march hand in hand. Our market began with street vendors of shishkebab, unanimously cursed and yet besieged by customers. Our market hasn't progressed far, so why do we expect democracy to suddenly soar to Westminster or Capitol heights from its desolate initial starting conditions? By the way, we had private property in Russia at one time and we still remember it, whereas we've never had parliamentary democracy. One cannot seriously regard, as some respected historians do, the prerevolutionary State Duma, which had no legislative functions and was no more than an official public rally, as a democratic institution.

On changing horses

Those critical of the Congress insist that it has demonstrated its conservative, even reactionary, character, by having nearly overthrown the government and reforms together with it, and that it even laid claims to the right of the President elected by universal ballot to personally appoint the Cabinet of Ministers. Besides, it rejected free trade in land.

Of course, private property as such and land ownership in particular is currently "mother of all problems" on which the revival of the country's economy and of our life depends. But, I'm convinced, that much more important for Russia is the question of **how** the most pivotal problems will be solved – in the interests of the "cause" or in comformity with established procedure.

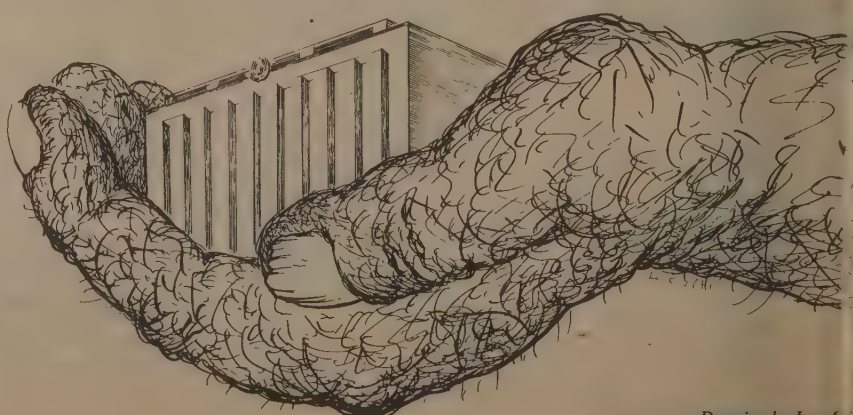
Private property gradually asserts itself, in popular mentality at least, overcoming party-bureaucratic obstacles. But is the assertion of democratic principles of less importance given the authoritarian and monarchic mentality of our state? Yes, they voted against making land private property, but they did it openly, for the entire country to see, by personal vote. Have vitally important issues ever been settled this way in our country? They didn't even reckon with the President's authority, which I sincerely regret; but I'm glad too that they were not afraid to, after their previous panic-like retreat.

But let us return to the most dramatic moment of the Congress. A resolution on a vote of no-confidence is adopted. Is this bad? Yes. Now they immediately start to exert pressure on the delegates, producing the hitherto unknown to anyone "Shakhrai's draft Constitution" which leaves no room not only for the Congress, but even for a full-fledged parliament, and they threaten with a referendum.

This move by the presidential team has obviously nothing to do with the democratic process. It was an outright pressure strategy thinly disguised by the pseudo-democratic idea of a plebiscite.

At that, we were repeatedly reminded that we had just initiated drastic economic reform, the most difficult part of the path had been marched, so no-confidence votes were untimely – "one doesn't change horses in mid-stream." This impells one to ask, isn't it dangerous to change horses on the path from despotism to democracy, from lawlessness to legality?

It was so easy to say: if the Congress denies confidence to the government, it should be dissolved. Alas, the public failed to rush to the barricades to support democracy. The President himself regained the feeling of reality for some time – his concluding words were rather appeasing, though not devoid of bitter, yet just, criticisms hurled at the Congress. However, after a short time, the guarantor of law,



Drawing by Igor S in

order and democracy once again spoke about dissolving the Congress. True, as has already become habitual, his team began to explain how this presidential "metaphor" should be correctly understood.

A necessary spoke in the wheel?

I would rather not specially discuss "constitutional ways" of dissolving the supreme representative body of the Russian Federation or of turning it into a standing parliament after a reduction in its composition. Who will organize the plebiscite? Who has the right to turn the Congress into a parliament? Nobody knows, and what's more important, the law keeps silent about it, that very law which is the only thing to be preserved, at least as it stands now.

It goes without saying that the country badly needs power capable of enforcing law and order and carrying out reforms, without annoying obstacles, without the absurd and unruly Congress which puts spokes in the wheel. But doesn't it occur to you that these hindrances and spokes are not so disastrous? More than that, they may be even useful and utterly indispensible in order to prevent the reforms, urged on by optimistic hopes, from going off the track?

More than once have Winston Churchill's words been quoted that democracy is a poor form of rule, yet nothing better has so far been invented. Our democracy is probably the worst of all, still it's democracy, which we must cherish and foster rather than do away with on the spur of the moment.

The bone of contention at the Congress was the question of whether ministers should be appointed personally by the President or also go through the purgatory of Parliament. No agreement was reached, the dispute ended in a draw. Yet the personnel question was raised at the Congress in connection with the compatibility of ministerial posts with their occupants' deputy mandates.

A hot discussion broke out, and the legislators began to cudgel their brains in search of ways to bypass the freshly adopted Constitution – which is in fact the old Constitution patched with amendments and supplements and including absurd articles like that about the preservation of the non-existent Union.

However, the Basic Law was not bypassed. It was not the triumph of the "common sense" of the traditional and habitual neglect of the Law for the sake of "nice people," but of the common sense of the Law. Thus the Russian Congress manifested its legal maturity at last, having won a victory over itself at such a high level, possibly, for the first time. The Law being supreme to the individual was never the case under the Soviet regime, nor was it an everyday occurrence in prerevolutionary Russia.

The command style

A stereotype has formed that the court, laws and the Law as such have never been held in esteem in Russia. This is not quite so. The matter is that in the Russian people's mentality, the Law was personified not by state institutions or recorded and firm legal norms, nor the court, but exclusively by the Tsar's word and deed. The State (personified by the Boyars, the titled nobility) was the source of arbitrary decisions and judgments; the Tsar was regarded as the source of justice in both punishment and pardon. The monarch was the Law incarnate which the people worshipped and against which they never dared to rebel. Tsars as persons were dethroned and murdered, but Tsar as the source of justice remained intact in the people's mentality. Soviet power has changed nothing in fact.

Today the time of changes has come. But how hard it is to re-orient oneself from the worship of a monarch to esteem for an impersonal parliament and the Law! Our representative bodies may look ugly and absurd, but they are the beginning of a democratic statehood. Do we completely realize the hardships connected with their formation? Aren't we too hasty about dissolving them?

The Congresses of People's Deputies, both the already nonexistent Union Congress and the present Russian one, are the first serious attempt to institute democratic bodies of power in Russia. And, talking about the recent 6th Congress of People's Deputies, I should say that it was not a hopeless attempt. For all the democrats' indignation with Communists' speeches; for all the indignation of the advocates of Soviet power with its fervent opposition; for all the confrontation between the collective-farm landlords and free farmers; for all the President's indignation with the opposition and the left extremists' indignation with the President, everything proceeded in a democratic way, and this is the most important thing.

I would call the three years that have elapsed from the first relatively free elections in our country (at least we were not forced to "choose" the only candidate) a triumphant retreat of Soviet statehood to parliamentarism. There were more than enough blunders and losses; there is still more irritation about the parliamentary jabber. Yet hundreds of acts, not imposed "from above," but worked out by Parliament and freely discussed are a fact. And how many important bills have failed, some will retort, because of someone's personal and factional ambitions and squabbles, because of legal incompetence! Yes, this is all true. But can't all these things be not so much defects as advantages of nascent democracy, the most restless form of rule?

A system for the legitimate succession of power has been a guarantee of stability for all regimes in all countries and at all times. Its opposite, the slightest doubt about legitimacy of a ruler's rights to power, has always created a background for impostors, riots and a coups d'état.

I am convinced that the most dangerous thing for the creation of a new Russian statehood is a regression from democratic procedures and rules, because they are LAW incarnate, which, incidentally, makes democracy the most troublesome form of rule, while our leaders again want to outwit themselves – they tend to resort to command style methods, instead of patiently cultivating what we have accomplished at this point.

Yury Feofanov

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The preserves of the national idea

The state arrangement of the polyethnic Russian Federation

A political scientist **Andrei ZUBOV** offers his own solution

New Times. Of all current political ideas, that of national statehood is nearly the most voguish one...

Andrei Zubov. The appeal to create national states was heard for the first time late in the 18th century. The 19th century made it a reality, having fused a number of small appanages and principalities into Bismarck's German Empire and Garibaldi's Italy. The Versailles system which emerged after the WWI may be considered the apotheosis of the principle "one state – one nation." In those days politicians enthusiastically shaped Hungary and Latvia, Yugoslavia and Poland on the map of Europe. Referendums were held in unclear cases, sometimes even a city was cut into two for the sake of ethnic justice.

A few years later, in the name of the same ethnic justice, Germany which had grown strong by that time demanded back the Sudetenland and Alsace; Hungary, Southern Slovakia and Transylvania; Bulgaria, Dobrudja and Macedonia; Italy, Dalmatia. At the same time, based on the same principle "one state – one nation," they tried to solve the Jewish and the Gypsy problems...

N.T. But our Union was not a child of the Versailles system?

A.Z. Our Union grew on the same soil as the Versailles system. Suffice it to open the *Brockhaus and Efron Encyclopaedia,* preferably its second, uncompleted, prerevolutionary edition, in order to find articles on Armenia, Byelorussia, Lithuania, with the assumed future borderlines of these states drawn on the map of the Russian Empire. The post-revolutionary state borders almost completely coincied with them.

N.T. Which means that the idea of converting the Russian Empire into a union of national states isn't Lenin's idea?

A.Z. Certainly, not. Lenin's plan for the solution of the nationalities problem grew on the solid foundation of European liberalism, although by that time a lot of arguments against these liberal ideas had accumulated. It was said that a purely monoethnic state was absolutely impossible in real life; that there are diasporas who couldn't form a state; that in an ethnic state there might be many people who would feel second-class citizens.

N.T. Yet the world followed "a different path?"

A.Z. Yes, and one can understand why. Even in Austria-Hungary, whose industrial development exceeded by far that of Russia, people mostly continued to settle in the lands of their forefathers. Even in Western Europe ethnic boundaries could seem very stable, since they hadn't changed for ages, all the more so in Russia.

If we look at the ethnic map made after the only exhaustive prerevolutionary census of the population in 1897 we will notice at once that ethnic groups settled very compactly. Russians made over 75 percent of the population in central regions of Russia and in Western Siberia, less than 5 percent in Poland, Lithuania and Byelorussia; less than 10 percent in the Ukraine, Bessarabia, Transcaucasia, Central Asia, Eastern Siberia and in the Far East. In the Great Principality of Finland Russians numbered a small fraction of 1 percent. On the contrary, the autochthons made 91 percent in Yakutia, 97 percent in the Kalmykian steppes, 86 percent in Abkhasia, about 85 percent in Byelorussia. One can be easily lured by the idea of creating national states in such conditions on the tide of nationalist sentiments.

N.T. And the Bolsheviks yielded to such sentiments and created the Union?

A.Z. I can't judge what degree of sober political analysis there was in their decision and how great was the role played by the voguish general European trends. Another thing is important here – our "Versailles-type" federation was "frozen by totalitarianism" as soon as it was created. After the Versailles system was proclaimed, Europe continued to be torn by territorial claims and ambitions by all for all, only in our empire headed by our *Roi Soleil* (the Sun King) peace reigned supreme. Alas, it was a peace in a deep-freeze chamber.

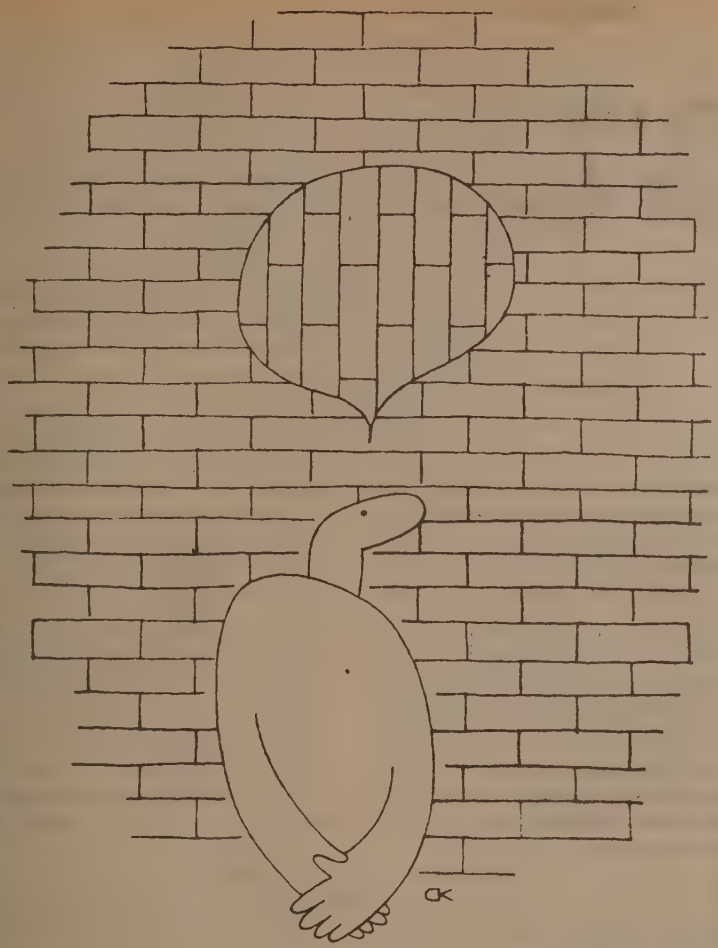
Interethnic conflicts programmed by the very essence of the national-territorial federation couldn't manifest themselves, as no form of free political life could, yet they far from disappeared. More than that, immense human flows during the civil war and two world wars, emigration, the destruction of millions of human lives, deportations of entire peoples and social groups, deaths at the war fronts and, lastly, natural in any industrializing society, migration of the rural population to cities have resulted, during the decades since 1897, in radical changes in the ethnic-territorial structure of our country. The totalitarian regime didn't allow these changes to manifest themselves in the political sphere, yet these processes increasingly deepened and accelerated.

N.T. Does this mean that the ethnic map of 1897 has grown somewhat obsolete now?

A.Z. See it for yourself. In 1897 there were 80 percent of administrative units in the Western Region where Russians made less than 10 percent of population. By 1989 there have remained only 12 percent of such units. In the Caucasus the share of such units with the analoguous percentage of Russian population has dropped from 72 to 42 percent; in Turkestan, from 78 to 40 percent. Whereas in 1897 Russians made up more than 50 percent of the population only in half of the regions and districts of the Russian Empire. In 1989 the share of such administrative units reached three quarters of the total. And it's not only a matter of Russification. The relations between other peoples in the country changed in a similar manner. The Armenians ousted the Azerbaijanis from Armenia, having diminished their share from 40 to 6 percent there, while the Azerbaijanis did the same with regard to the Armenians in Nagorny Karabakh and in the Nakhichevan Autonomous Republic. The Georgians outnumbered the Abkhazians in Abkhazia; the Uzbeks, Tajiks in Sogdiana; The Lithuanians, the Poles in Kaunas and Vilnius; the Sunnite Tajiks, the Ismailite Pamirians in Badakhshan. The list can be cited *ad infinitum.*

N.T. In other words, we have quickly approached the ethnic melting-pot the Americans like to call themselves?

A.Z. Both yes and no. There are almost no monoethnic lands. Yet, unlike in the United States, in our country ethnic groups continue, for the most part, to live in their native territories, although they have to share them with other ethnic groups now. All are newcomers in the USA except the American Indians. In our country almost all are autochthons. The ancient states of Tatars, Armenians, Georgians, of the inhabitants of the Central Asian oases and of



Drawing by Sergei Kuprii

the steppes, the lands of the Yenisseian hunters and reindeer raisers of the Nenetz Region, of the Caucasian and Carpathian mountaineers are their original places of habitation. But now not exclusively theirs.

Whereas in 1920 it was still possible to single out ethnically homogenous zones as national territories, now it's almost in all cases impossible. In Latvia, Russian is mainly spoken in most large cities except Jelgava. In Riga the Russian-speaking population reaches 58 percent; in Tallinn, 49 which is more than the number of those who speak Estonian. In Donetsk and Lugansk regions of Ukraine the Russian-speaking population exceeds two thirds and in Odessa, Zaporozhie, Kharkov, Nikolayev regions and in Kiev itself it approaches 50 percent.

N.T. All these changes are explained by Stalin's policy of mixing up the population?

A.Z. Not quite. Certain secret instructions seem to have been issued after the war, but even in the 1950s-80s when they were no longer effective the process of intermingling of nations went on. In 1979 every seventh marriage in the USSR was a mixed marriage. It's hardly possible that each newly-wed was following instructions. But this is not even the issue.

Whatever the reasons which brought Georgians to Abkhazia, Russians to Riga, the Meskhetian Turks to Ferghana, they were not aggressors but victims of either totalitarian leaders or of implacable economic laws. In either case, infringement of their rights, forcing them to emigrate or declaring obligatory assimilation for those who stay is not only unjust, but also suicidal.

N.T. That we are all victims of totalitarianism is self-evident. But what do you mean by victims of economic laws?

A.Z. An Austrian Karl Renner proved almost a hundred years ago that ethnic groups intermix much quicker in industrial centres than along ethnic borderlines. Let's take Riga as an example. The Russian population there reached 25 percent in 1897, while in 1935 it was only 7.4 percent. Why did it diminish and then increase so sharply later? We won't be able to understand it unless we remember that in 1897, 47 percent of Riga's population called German their mother tongue and only 23 percent, Latvian.

During the years of Latvian independence and especially after the conclusion of the Ribbentrop-Molotov Pact, Germans and many Latvians who pretended to be Germans left Riga as *Volksdeutsche*. Who was to work at Riga's large plants after the war? Russians began to go there to work by contract thus becoming what's known as *Gastarbeiter* now. Before the war this ethno-professional specialization reserved for Latvians the spheres of agriculture, culture and bureaucracy. Engineers and industrial workers were mostly Germans. Later they were replaced by Russians. If Russians leave Riga, who will work at the assembly lines of Riga's automobile and other plants? Pakistanis, as in Norway, or Turks, as in Germany? Hardly so, since Latvia is not so rich as Germany or Scandinavian countries. Most likely that the factories will stop.

N.T. So you believe that creating ethnic states, to support which politicians are gathering votes throughout the country, is unrealistic. But what can this country expect in the future?

A.Z. We expect an escalation of interethnic tension, new conflict and new flows of refugees in the near future. Against the background of deepening economic disorganization and impoverishment of people, moderate politicians will lose control over political processes in more and more regions of the former Union.

N.T. A gloomy prospect...

A.Z. Gloomy, but not hopeless. I believe that misfortunes will soon teach us that it's impossible to isolate oneself in one's national nook, and politicians propagating the idea of national isolation will no longer be trusted.

The future lies not with advocates of ethnic-isolationism "at whatever cost," but with the moderates, with federalists, who can build and not destroy. They have had enough trouble in some regions. This perspective is already observed, for instance, in Georgia, Chechen Republic and in many places of Ukraine. Public opinion polls are more demonstrative in such cases than declarations by leaders.

N.T. Almost everybody wants moderation and tolerance. But is the revival of a federation possible in the future?

A.Z. Few believed in a revival of the federation after Southern states seceeded from the rest of America. Life itself will bring us to unity. However, this unity should be absolutely different from what we've together been kept by during the last 70 years. Our objective unity in the ethno-territorial, economic, spiritual and historical respects is really so great that nothing less than a federation can take shape instead of the USSR. The price of disintegration is so dear that hardly any people in the states that have ari-

sen on the territory of the former USSR will agree to pay it. Given the level of the existent integration, it's objectively more reasonable to delegate some functions to the Centre created by these states for it to fulfil these functions.

N.T. In its time, the Novo-Ogaryovo process ended in a *cul-de-sac,* and the draft project of the Union Treaty which had been worked out by the 20th of August seems not to have been the best possible. Now the Commonwealth seems at an impasse too...

A.Z. The reason for that is very simple. Having realized that, in order to save the country, it's necessary to radically reconstruct the economy, replace the command system with market relations, we nevertheless tried, during all those *perestroika* years, to do the impossible in the state and political sphere, i.e., to raise from the dead the corpse of the national-territorial federation. Our leaders fail to understand so far that we need a new system of statehood so that a normal state existence could be possible in the conditions of market relations, private property, parliamentarism, free elections and the free press, whereas the present system of statehood will keep us chained hand and legs and drag us to our Stalinist past till we send it to its death bed.

N.T. Then what are the main features of a statehood system which answers the requirements of the market and democracy?

A.Z. A few principles first. We must regard as equal the rights of all ethnic groups, large or small, with a compact territory of settlement or otherwise, on all the expances of the Union. We must believe that the rights of citizens living in any territory of the Union are equal regardless of their ethnic identity or of the status some territory or other had in the past. The rights of citizens must be resolutely separated from the rights of territories.

N.T. This means that you suggest to do away with the national-territorial principle of federation?

A.Z. Yes. Peoples and ethnic groups must have internal self-government and possess democratically formed common national union structures, while territories must enjoy equal rights to self-government coupled with complete equality of citizens of all national and ethnic groups under various national administrative bodies.

N.T. Ukraine will cease to be a country of Ukrainians and others and Kazakhstan, a country of Kazakhs and others?

A.Z. I think, we should go even further than that. Since the Ukrainian National Council unites all Ukrainians of the Union and, possibly, also those of them who live abroad, as associated members, what sense is there in a Ukraine inhabited by far from only Ukrainians and which, retaining the Crimea and the Donetsk Coal Region, is not a national, but a purely territorial entity? The same applies to Byelorussia, Kazakhstan and the Russian Federation. Let it be not Russia but a Russian National Council who will defend the rights of the Russian-speaking population in Bishkek and Vilnius. National states must become a thing of the past but not of the political gambling. They must be superceeded by purely territorial states.

Our traditions of statehood almost invariably led to the appearence of an agrarian periphery around some industrial or cultural centre. These centres are very stable. Former principalities and provinces of the Russian Empire, as well as the present regions and autonomous regions are formed around the same centres and in nearly the same boundaries. New centres come into being, and new regions emerge around them. It would be natural to create the new structure of the would-be territorial federation, based on the regional principle, i.e., proceed from the premise that all regions, provinces, autonomous regions, republics and districts, as well as union republics not further subdivided into regional units enjoy equal rights. These rights being as broad as necessary. They have to delegate to the central government those functions they want to and without which the equality of rights and freedoms of the citizens cannot be guaranteed, the central government having been created by the regions themselves together with national councils.

N.T. But it's you who said that half of all such "states" are Russian-speaking. What will other peoples, the Moldovans, the Tatars and the Latvians, think about it? Many of them tried to escape from the Union, having understood that the Union authorities, through mere parliamentary majority, easily impose on them the will of the ethnic group dominant in the federation?

A.Z. It's precisely for that reason that we can't create a structure similar to the American Senate. Our states must not become structural units of the union power. Let all of them live their own life, while the Union Parliament will be formed not by the states, but directly by the population. One man – one vote, which is closer to the House of Representatives of the American Congress, if you like.

N.T. But even a Parliament elected in this way will remain mainly Russian...

A.Z. Yes, and this is exactly why we consider it necessary to counterbalance it with an assembly of representatives of all-national councils as the second house, a true House of Peoples. All ethnic groups must be equally represented in it. The Yakuts are no worse than the Russians, etc. The functions of the House will be rather narrow, but extremely important. If any republic of the Union or even the House of Union itself infringes on the rights of any people, this decision will be vetoed.

N.T. But this *liberum veto* principle paralized the life of Poland two centuries ago. The same is most probably in store for the state you propose...

A.Z. To avoid such situations, the Supreme State Arbitrage is indispensable. The Supreme Arbitrator elected by the House of Peoples will have the final say in such conflicts. I think he should also be the President of the Union, only with limited powers. The executive power should be preferably concentrated with the Cabinet of Ministers, accountable to the House of the Union, while the President should become the Supreme Justice in national problems and the symbol of the state unity.

N.T. And what about the right to secession?

A.Z. It's necessary to preserve it. It will be the major counterbalance to the omnipotence of the President in the judicial sphere. If a national council is not satisfied with the decision by the Arbitrage, it may raise the question of secession and specify the territory it lays claim to. The latter may coincide with the territory of a certain Union state or it may differ from it. However, secession may be considered legal only after the absolute majority of the population votes in its favour.

Hopefully, the danger of secession will make the President be more tolerant to the aspirations of the peoples, and the risk of loosing part of their historical homeland unavoidable in the situation of the present ethnic mixture will make secessionists think twice before making a decision to split with the Union at the risk of losses – a compromise may be preferable. We provide for the same principle in the alteration of state boundaries inside the Union. The suit can be brought in only by a national council, yet everything will be decided by a referendum. In this situation, the dominant ethnos of the state in question will hardly choose aggravation of relations with minorities which may leave, it will rather look for a compromise.

N.T. And if it resorts to deportations or other means of violent pressure as was the case in Gyanja, the Dniester Region or in the Masis district of the Ararat Valley?

A.Z. To avoid this, the unitary human and ethnic rights expanse under the control of the central administration is required. If a state constantly violates human rights, the Union Parliament and the President can dissolve its bodies of government and hold new elections or, in the case of a major danger, temporarily, proclaim direct rule. This may seem undemocratic, but it's necessary. The most important thing is that such decisions should be made not by a CPSU CC Politburo, and not by the Coordination Board of the Democratic Russia movement, but by a freely elected Parliament and the President whom the majority trusts.

Thirsty for work... for dollars

Those who want to go to the West, call Ost

Formerly Russians used to go to work in Western countries like our tourists do, i.e. at their own risk. Now they are guaranteed a civilized reception – a department for labour migration has been founded at the Ministry of Labour and Employment, with a sector for foreign labour migration attached to it.

Last year 1,300 thousand people left Eastern Europe for the West, having thus replenished the army of immigrants which in the countries of the European Community alone numbers about 10 million people. And after the Russian law on entry and exit goes into effect, about two million people may emigrate from Russia alone. However, this is only an estimation, because in reality their number will depend on two factors – the socio-economic situation in Russia and the immigration quotas in Western countries.

Most people want to emigrate to the West in search of a "better life" now, far from all are prepared to wait till their domestic salary exceeds the minimal living standard. Yet one needn't emigrate for ever in order to start a normal human life, it will be quite enough to work for several years on a contractual basis abroad. Incidentally, this system provides not only for guaranteed employment, but also for the observance of civil and human rights of those leaving the country, which usually skips the attention of those who line up for an exit visa before they leave.

The Russian Ministry of Labour signed this March an agreement with Germany on providing 13 thousand jobs at German enterprises. Under this agreement, 11 thousand workers aged 18 to 40 will work in Germany in 1993–1994, while another 2 thousand will have a chance to raise their qualifications and improve their German there. Construction workers – bricklayers, carpenters and others – will receive jobs at small factories with a personnel of up to 65 people. The quota of jobs for Russian citizens will change according to the employment situation in Germany: a one percent rise in unemployment will entail a five percent reduction of the quota, and vice versa.

The selection of Russian workers willing to work in Germany depends on the list of requests by interested German enterprises and firms. Those who have mastered advanced technologies will, of course, find themselves in a privileged position. Russian workers will be paid as their German colleagues are paid for the same work.

Formerly the Soviet state, too, used to arrange so-called "hard currency jobs" for its citizens. Journalists and writers know only too well how all this was done. For instance, if any of their work was published abroad and this came to be known in Moscow, the whole amount in currency went to the state, while the author was given either a very small portion of what he had earned or its ruble equivalent at a very low official rate. Now the whole amount of what a worker earns, minus taxation, an insurance fee and other taxes agreed upon by the sides, remains with him.

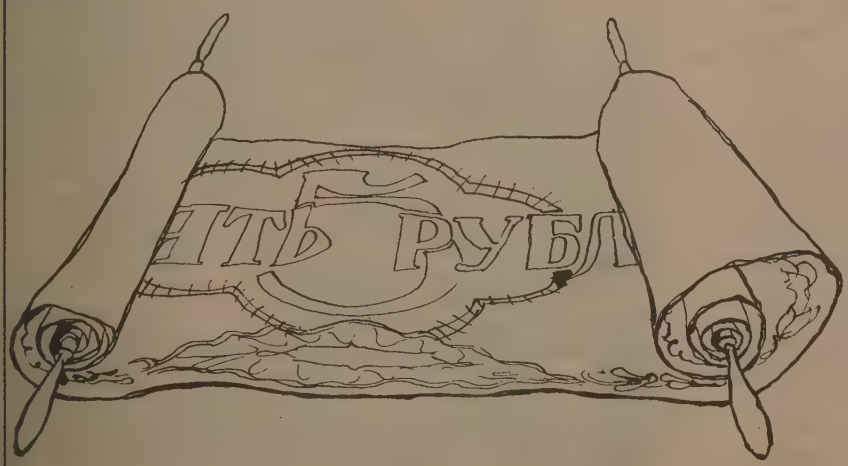
A permit for a contractual job is issued for a term not exceeding two years, as stated in the Russian-German agreement. The term may be prolonged by one more year. If one wants to go to work in Germany once more, he is free to do so, but not before a period of time equal to the term of his previous contract passes. For instance, if one has worked for two years in Germany, he will have to wait for another two years before he may go there again. If one has worked there for three years, he'll have to wait for another three.

Analogous agreements are being prepared now with Austria, Finland, Norway, Denmark, France, and Belgium; negotiations with the USA, Australia, Canada and Argentina are being held to this end.

Certainly, there is no question of philanthropy on the part of the state. The reason is that the Moscow authorities have at last understood that the more Russians go to work abroad, the more currency will come to the country, because those who come back home after the completion of their contractual term will spend their marks and dollars in this country. Or, at worst, they will bring back Western clothes and household equipment to sell, since they will need rubles too. Besides, their level of qualification and labour attitude may become quite different from the norm at Russian enterprises.

In expectation that there will be a lot of those who would like to earn their dollars and deutschmarks, the Labour Ministry has created a special mediating firm Ost. Its telephone number is 939-85-90.

Artyom Ustinov



Drawing by Alexandra Ivoilova

Not too hard. Not too convertible

The Russian currency market is panic-stricken. The dollar exchange rate is plummeting. The owners of small sums of hard currency are trying to get rid of them, and big currency magnates are temporizing. The currency efficiency of commercial structures' foreign trade deals is changing sharply: what used to be undoubtedly profitable yesterday becomes unprofitable today. The directors of state-run enterprises do not know what to do with the hard currency in their accounts: whether to sell it at the currency exchange to pay wages overdue for weeks because of a cash shortage; or to settle accounts with the state at an overstated commercial ruble rate; or to wait for the promised mid-summer abolition of this rate and the introduction of a uniform ruble rate which will make their currency earnings (in terms of rubles) much more attractive.

All this confusion is further complicated by expectations of a ban on using foreign currency in settlements inside the country and of a changeover to either the hard, or the convertible ruble, which as the government promises, will benefit all except hard-currency speculators.

Three options

This is, perhaps, where the understanding of the situation by the public at large ends. The cause lies in the original terminological confusion which, in its turn, is a natural consequence of a many-year self-isolation of our economy. And so, which ruble are we after: hard, convertible or transferrable?

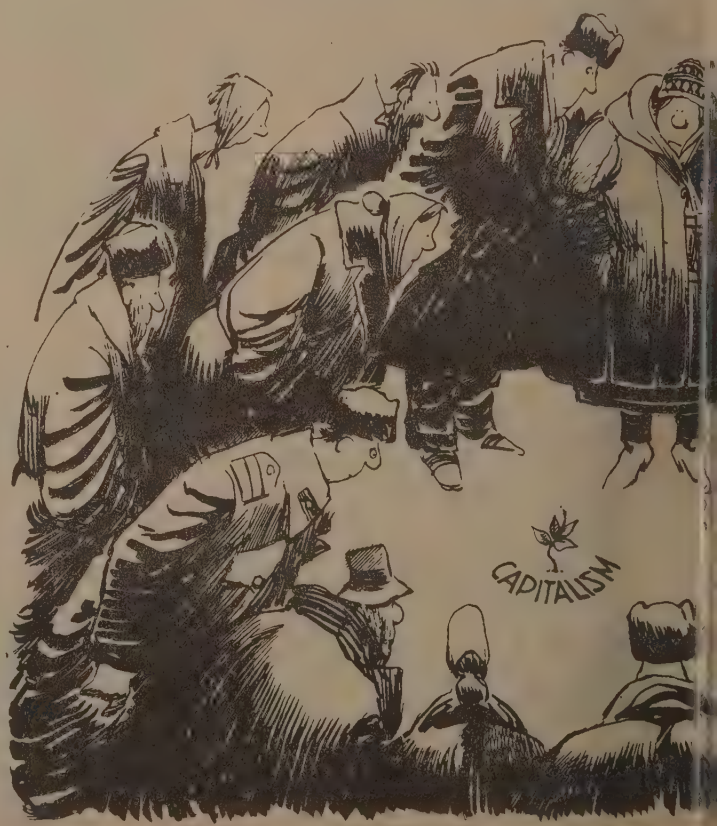
Hardness is a property characterizing a currency from the viewpoint of its exchange rate and its purchasing power. A currency is referred to as hard if its exchange rate is stable and its purchasing power high on domestic and foreign markets. All Western businessmen know, for example, that over the past few decades one US dollar can be sold for 1.6-1.7 Deutsche mark, 5.5-5.6 French francs, or 127-133 Japanese yen, and that one pound sterling can be bought for 1.7-1.8 dollar, which is a guaranteed price.

Steadiness of currency exchange rate is a vital guarantor for foreign investors who can accurately calculate their expenses and profits in advance, irrespective of the currency they use. They know that only extraordinary circumstances (such as the collapse of the International Monetary Fund or of the European Monetary System) can change fixed exchange rates. At the same time, the hardness of a currency ensures its guaranteed purchasing power: in countries of approximately equal economic development, standard prices of analogous goods are much the same, only expressed in different currencies.

> Instead of daydreaming, we ought to get down to work in order to stabilize our ruble

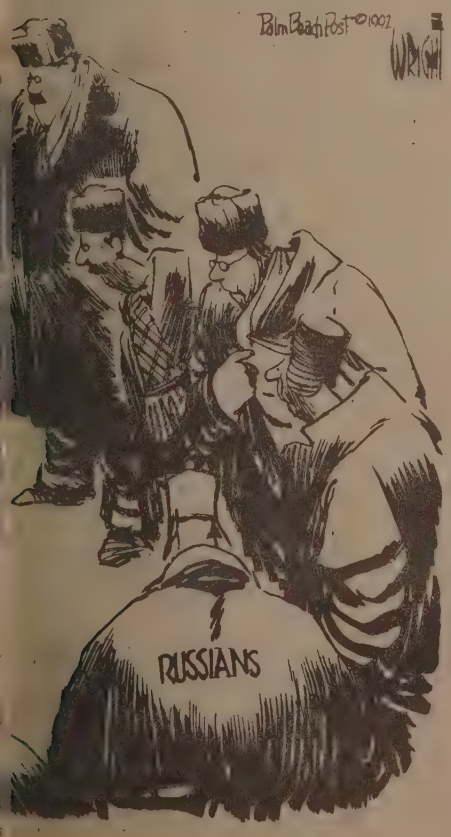
Convertibility means that a national currency can be freely exchanged for another currency when transacting various business operations, including current operations (settling accounts in export and import trade, payments for services) and operations connected with the movement of capital (foreign investment income payments and foreign debt settlements). The payments involved in the sale and purchase of gold are a special case.

Usually, however, currency convertibility



is treated in a much narrower sense – as convertibility for residents, i.e., the official right of the given country's citizens and enterprises to buy and sell foreign currency for various business transactions. There is also convertibility for non-residents – the right of foreign natural persons and legal entities to own and use the given country's national currency. Simply speaking, the convertibility of a currency is the technical possibility to exchange it for another currency in an exchange office.

Finally, currency convertibility is an attribute of an economy of a certain type, with a highly developed commodity and financial market inside the country, with a government conducting a market-oriented economic policy (adjusted by means of budgetary, taxation and credit instruments), an economy committed to the principles of free trade and integrated into the world market. It is only under such conditions that national currency can be fully convertible. Such a currency's exchange rate is based on supply and demand, and it can be used without any restrictions in any transactions by residents and non-residents alike, and can be exchanged for other currencies freely, at any time and in any amount.



Drawing from Palm-Beach Post (USA)

As we see, hard currency is by no means always convertible (especially if its official exchange rate is frozen by administrative bodies for years, as was the case with the ruble) while any convertible currency is practically always hard. It would be wrong to identify exchangeability with convertibility, reducing the latter to its important but purely technical characteristic. In that case the ruble could have been regarded as convertible way back in the totalitarian years when currency was distributed from the centralized state currency reserve. After all, rubles were converted into dollars in the process.

A uniform exchange rate?

Convertibility cannot be introduced by a decree. The road to convertibility is a long one. It is necessary to make the ruble hard, to begin with, i.e., to abolish the multiplicity of its exchange rates (of which there are now five at least) and to set one rate against any foreign currency or a group of currencies. This rate is to become uniform for all kinds of transactions, and the state should pledge itself to maintain its stability.

The process of exchange rate fixing is well known: at the first stage, a single floating rate is introduced, which fluctuates for a while depending on the correlation between demand for, and supply of, currency. After the amplitude of fluctuations has narrowed down, an averaged fixed rate is introduced and given the status of the official one. This rate fluctuates, too, but only within certain limits upon the reaching of which the Central Bank has to make currency interventions and to return the rate to within the set limits. Judging by official statements, this is the line the Russian government intends to take.

Whether this scheme can be carried out in our situation is another matter. The possibility of setting a fixed exchange rate depends on several circumstances. First of all, on the stability of the ruble's purchasing power as compared with other currencies. The purchasing power of the ruble varies considerably depending on what commodity is in question. It may constitute hundreds of rubles to a dollar when purchasing spares to imported machinery to 20 copecks to a dollar (at Western auditors' estimate) when investing in real estate in Moscow. According to the economist Boris Bolotin, the ruble's average purchasing power relative to the dollar is 5.1 rubles to a dollar. Obviously, this ratio cannot be taken as the basis of a fixed exchange rate because it is determined in foreign trade, above all, where the ruble is much cheaper.

Second, the possibility of exchange rate fixing depends on the rate of inflation. After all, the currency exchange rate reflects a correlation between national and world prices, which may vary but should be stable by all means. Whereas the world's average inflation rate is 3-5 percent a year, in our country this is a weekly rate, and there is not much prospect of it being curbed in the near future. An attempt to fix the ruble exchange rate under the circumstances will result in a situation where multi-million interventions will be required, or where the rate will have to be changed every month (in which case it will not be a fixed rate). All the transactions will be immediately shifted to the black market, and the state will not even be able to levy taxes on them.

Finally, the question arises: if a fixed exchange rate is set for all kinds of transactions, will it be possible to make all hard-currency payments on this basis? What about the importers of medicines, children's goods, consumer products and foodstuffs who even now have difficulty buying hard currency from the state at an exchange rate 20 percent that of the market price. The Committee for Prices under the Ministry of the Economy deems it expedient to keep this rate. As a result, budgetary subsidies will be called for. They will amount to hundreds of billions of rubles, but where is all this money to come from? Will the state be able to afford buying from exporters a half of other hard-currency earnings at a new fixed exchange rate rather than at the present rate of 55 rubles to a dollar? Hardly so.

Finally, in a situation where the industry has not been re-inventoried yet and our real estate prices in dol-

lars are ridiculously low, will foreigners be allowed to privatize property here on the basis of a fixed exchange rate? Won't that amount to giving our property away?

Scratch my back and I'll scratch yours

This principle of trade operations should be strictly observed even if the commodity in question is money. A changeover to currency convertibility (full or just domestic) means that any Russian citizen and any Russian enterprise should have the state-guaranteed right to buy and sell any amount of hard currency at any time. Simply speaking, anyone should have an opportunity to exchange a bagful of rubles for a neat pile of dollars at a fixed rate. And if he changes his mind on the following day, to change his dollars back into rubles at the same or a different exchange counter, for a service fee, of course.

This arrangement will work on conditions that there is a widespread network of exchange offices complete with all the necessary technical facilities; and the main thing, that the state has enough rubles and Western hard currency. If an exchange office greets its customers with a sign "No cash, sorry," this will mean that the ruble remains as unconvertible as ever.

Do we satisfy these conditions? Obviously, we do not. It is not only the question of us being short of rubles, which the state somehow cannot print enough of. This is a technical problem. Those who deal in hard currency in earnest are always well stocked with rubles. Businesses do not deposit their profits in banks, they prefer to settle with one another in hard cash (which, incidentally, is a way to dodge taxes). Messengers loaded with cases full of notes travel throughout the country, speeding up the settlements of accounts between enterprises. Reportedly, Moscow police arrested more than 25 persons recently on charges of having withdrawn from circulation a sum, in paper money, comparable with arrears of wages (over 100 billion rubles).

The main trouble is that the state has no dollars, the demand for which will rise sharply after the ruble becomes convertible on the home market. Our economy has only two sources of replenishing its hard currency reserves – export and foreign borrowing – and even these have run dry. Official statistics say that in the first quarter of this year, Russia's imports exceeded its export by 2.25 billion dollars: far from bringing in hard currency earnings, export needed financing itself.

The credit situation is more dramatic still: even after all the deferments the West has granted us, we have liabilities which we simply have to meet this year. These liabilities amount to about 2.5 billion dolalrs. New credits are our only hope. The prospect of a six-billion-dollar stabilization fund being set up, once held out to us, will hardly ever materialize. Even if the West puts together the money, it will be doled out to us in "crumbs" provided we prove to the IMF experts that all other methods of stabilizing the ruble have proved useless.

In a situation where it is impossible to ensure the sufficient stability and full convertibility of the ruble, it is premature to talk about making the ruble a hard currency. Although 60 out of the IMF's over 160 member states have made their currencies convertible, many keep currency restrictions. Besides, it has taken them years to change over from a closed to a convertible currency.

In our case, the rise of the ruble exchange rate does not correlate with the dynamics of the basic macroeconomic indices and therefore is temporary and cannot be regarded as a prerequisite for the switch to convertibility. What can be regarded as a realistic proposition, though, is the introduction of a very limited internal convertibility of the ruble, i.e., of freedom to buy and sell foreign currency by residents and non-residents through a network of exchange offices.

An attempt to fix the ruble exchange rate now, and to convert all the incoming hard currency on its basis would be ruinous – this rate would not last even for a month. In order to bring the desired convertibility nearer, it is necessary to tackle our foreign trade problems in earnest, to eliminate the negative balance of payments and trade as soon as possible, to reduce the state budget deficit to reasonable limits, to accumulate hard currency reserves by any means and to raise the ruble's purchasing power. In other words, it is time we stopped daydreaming about convertibility and applied ourselves to the stabilization of our finances.

Nina Plekina

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LAW OF THE RSFSR ON PRIVATIZATION OF STATE AND MUNICIPAL ENTERPRISES

II. PROCEDURE AND MODES OF PRIVATIZATION OF STATE AND MUNICIPAL ENTERPRISES

Article 13. Initiative in privatizing state and municipal enterprises

1. Initiative in privatizing state and municipal enterprises may come from the RSFSR Goskomimushchestvo, its territorial agencies, committees for management of assets of national-state, national and territorial-administration entities, head of enterprise, work collective of enterprise, shop, production sector, other division of enterprise, from purchasers, as defined in Article 9 of the present Law, and also from other persons, including allied enterprises, banks, creditors, and organs of power and administration.

Bids for privatization of enterprise shall be filed with territorial agency of the RSFSR Goskomimushchestvo or the assets-management committee of national-state, national or territorial-administration entity. Form of bid and amount of state duty paid at its filing shall be established by the RSFSR Council of Ministers.

2. The work collective bid shall be accepted for consideration with the signatures of at least one half of the work collective members of the enterprise. The bid shall be regarded as a statement of intent on the part of work collective members to institute, in accordance with Articles 15 and 32 of the Law of the RSFSR on Enterprises and Entrepreneurship, a partnership (joint-stock company) in the process of the privatization of the enterprise.

Article 14. Examination of privatization bids

1. Bids for privatization of state and municipal enterprises must be examined by the RSFSR Goskomimushchestvo or its territorial agency, assets-management committee of national-state, national or territorial-administration entity within one month of their filing with the respective committee. The decision shall be made known, in written form, to citizens, juridical persons and work collectives filing bids.

2. Denial of privatization of state or municipal enterprise shall be possible only in the following cases:

– a person making bid may not be recognized as purchaser under Article 9 of the present Law;

– there is a statutory restriction on privatization of the given enterprise;

– enterprise is on the list of objects (groups of objects) not subject to privatization as laid down by the State, republican or local privatization programme.

3. Once decision has been taken on privatization, a committee shall be set up on privatization of enterprise and a time fixed for preparing the privatization plan. This time may not exceed six months from the day on which the bid was made.

4. The enterprise privatization committee shall include representatives of the RSFSR Goskomimushchestvo, its territorial agency or respective assets-management committee of national-state, national or territorial-administration entity, the Soviet of People's Deputies in the place where the enterprise is located, officials of financial agencies, the management and the work collective council of the enterprise. The committee shall be entitled to invite experts, and also specialized auditing, consultancy and other organizations to take part in the work.

5. The committee shall draw up the enterprise privatization plan, coordinate it with the local Soviet of People's Deputies, and the enterprise work collective. The privatization plan shall be confirmed by the respective assets-management committee.

6. The enterprise privatization plan shall define the privatization ways and time period, the initial price of the enterprise, the size of the authorized capital of the joint-stock company or partnership, and the recommended form of payment (settlement). The enterprise privatization plan may also include a project for its reorganization which may provide, in particular, for the separation of its divisions into independent enterprises (with a determination of their authorized capitals) or the sale of enterprise assets.

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7. In the event of rejection of the privatization plan by the work collective, the committee shall have the duty to offer another plan version. Following a second rejection of the privatization plan by the work collective, the final decision on working up the plan, the way and procedure of privatization shall be taken by the respective Soviet of People's Deputies.

8. In the event of rejection by the local Soviet of People's Deputies of the plan for privatizing an enterprise in the ownership of the RSFSR, the committee shall have the duty to offer another plan version. Following the second rejection of the privatization plan, the final decision shall be taken by the RSFSR Goskomimushchestvo.

9. In the event of adoption of the privatization plan, the enterprise shall be included, by the respective committee, in a timetable plan for competitive tendering, auctions and joint-stock company procedures.

10. By demand of the Russian Federal Assets Fund, of its branches, and of the assets funds of national-state, national and territorial-administration entities, the commission shall have the duty to submit all the available documents and reference material on the enterprise under privatization.

Article 15. Ways of privatization of state and municipal enterprises

1. State and municipal enterprises shall be privatized through their sale by competitive tendering or auctioned off, through the sale of shares (stock) in the capital of the enterprise, and also through redemption of the assets of leased enterprise.

Privatization of enterprises in the form of sale of their capital (stock) shall be effected after the conversion of state and municipal enterprises into joint-stock companies. The conversion procedure shall be determined by a statute confirmed by the RSFSR Council of Ministers.

2. Redemption of the assets of leased state or municipal enterprises shall be effected where:

– the contract of lease of the said assets, with right of its redemption, was concluded prior to the entry into force of the present Law;

– the leaseholder, recognized as the purchaser under Article 9 of the present Law, has received the right to acquire the privatized enterprise in

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the manner established by Articles 20, 21 and 24 of the present Law.

3. When selecting the recommended way of privatization, the privatization committee shall take due account of:

– the opinion of the work collective of the enterprise;

– proposals from purchasers filed with the respective assets-management committee, together with bid for privatization;

– the specific sectoral features of the object of privatization;

– valuation of its capital;

– the socio-economic significance of the enterprise for the territory;

– the opinion of the representative of the assets fund.

4. The decision on selecting the way of enterprise privatization and the form of payment shall be taken by the RSFSR Goskomimushchestvo, its territorial agencies or respective assets-management committee of national-state, national or territorial-administration entity, in the manner provided for by Article 14 of the present Law.

5. Upon completion of the work of the privatization committee, the RSFSR Goskomimushchestvo, its territorial agency or respective assets-management committee of national-state, national or territorial-administration entity shall wind up the state (municipal) enterprise as a juridical person, institute a joint-stock company, and transfer its shares and rights to the founders, or draw up and hand over the certificate of ownership of the privatized enterprise, or transfer the assets of the wound-up enterprise for sale to the Russian Federal Assets Fund or to the respective assets fund of the republic within the RSFSR, territory, region, autonomous region, autonomous area, district or city.

Article 16. Preparation of enterprise for privatization

1. Preparation of enterprise for privatization shall consist in the stock-taking of its producer and nonproducer assets put up for privatization, and also in the reorganization of the enterprise, including separation of subdivisions into independent enterprises (with a determination of their authorized capitals).

2. In the course of enterprise reorganization, the social infrastructure facilities on the enterprise balance-sheet shall be identified and the lines of their use laid down.

Where the aforesaid facilities are included in the body of assets up for privatization, the purchaser shall have the right to apply any variant of their use not contravening the requirements of RSFSR legislation, the terms of the contract between vendor and purchaser, and the collective agreement.

Article 17. Determination of initial price of enterprise put up for privatization

Determination of the initial price for sale of enterprise by competitive tendering (auction) or the amount of the joint-stock company's authorized capital shall be made by the privatization committee through an estimate of the income-yielding potential of the enterprise (where it is to be kept going) or an estimate of the receipts to be had from the sale of its assets.

Methods used in estimating the value of facilities put up for privatization shall be formulated and confirmed by the RSFSR Goskomimushchestvo.

Article 18. Information on state and municipal enterprises put up for privatization

1. Information on state and municipal enterprises put up for sale by competitive bidding or auction, on the sale of shares of joint-stock companies, and on the results of privatization transactions must be published in special bulletins of assets funds (for enterprises with authorized capital in excess of 50 million rubles – in the bulletin of the Russian Federal Assets Fund) at least one month prior to the competitive tendering or auction or issue of shares for public sale.

2. The following information on enterprises put up for privatization shall be subject to mandatory publication:

– the area of the land parcel and description of the structures located on it, the terms of their lease or sale;

– a list of the fixed assets by groups;

– started investment projects, their estimated cost and effected outlays;

– inventories of material assets;

– state of cash assets;

– shares (interest, stock) in the capital of other enterprises owned by the enterprise (if any);

– nonmaterial assets (patents, trademarks, and others);

– the obligations of the enterprise (commercial, budgetary, credit);

– the enterprise balance-sheets for the past three years;

– amalgamated nomenclature of products and its market share.

Format in which information is presented and additional data listed shall be determined by the RSFSR Goskomimushchestvo.

3. Privatization shall proceed under public control by employees of enterprises put up for privatization, purchasers, public bodies (association) and people's deputies.

Article 19. Forms of payment

1. Payment of the cost of acquired enterprises or shares (interest, stock) in the capital of joint-stock companies (partnerships) may be made either in a lump sum or by installments.

2. Redemption of the assets of state or municipal enterprise under the terms of leasehold contract shall be deemed payment by installments.

Rental payment for the use of the assets of state and municipal enterprises may not be credited as payment for purchase of assets into ownership.

3. Form of payment shall be established in contract between vendor and purchaser, and may be one of the terms of purchase of enterprise by competitive tendering.

Article 20. Purchase of state and municipal enterprises by competitive tendering

1. State and municipal enterprises and also assets of wound-up enterprises where purchasers are required to meet definite conditions laid down by the respective assets-management committee shall be sold by competitive tendering.

In the event, title shall be conveyed to the purchaser whose offer best meets the vendor's requirements.

2. Overall tendering procedure shall be regulated by a Statute confirmed by the RSFSR Council of Ministers. The Statute shall define the conditions on which purchasers take part in tendering, procedure for considering their offers, and also procedures for confirming the decision and formalizing title to the enterprise.

The terms of competitive tendering must be made public not later than 30 days before the date on which tendering is held.

3. The sale of enterprise by competitive tendering shall be conducted by a tendering committee formed by the Russian Federal Assets Fund, its branches in the localities, or the assets funds of national-state, national and territorial-administration entities, with the participation of work collectives, local Soviets of People's Deputies, and the RSFSR State Committee for Antimonopoly Policy and Support of New Economic Structures, and also of invited experts.

4. The tendering committee shall determine the conditions, procedure and time of competitive tendering.

5. The purchase price of the enterprise shall be determined in the course of consideration of competitive tendering. It may not fall below the initial price by more than 30%. Where an enterprise has not been sold in the course of competitive tendering, it shall be withdrawn from tendering and the certificate of title to it shall be returned to the RSFSR Goskomimushchestvo, its territorial agency or respective assets-management committee of the national-state, national or territorial-administration entity. The privatization committee shall have the duty, within the period of one month, to review the plan for privatizing the enterprise.

The priority right to purchase into ownership enterprises in the traditional arts and crafts and other industries of the peoples of the North and the numerically small peoples shall belong to the native inhabitants. Such enterprises shall be privatized at their residual value.

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Article 21. Purchase of state and municipal enterprises by auction

1. State and municipal enterprises, and the assets of wound-up enterprises where purchasers shall not be subsequently required to meet any conditions whatsoever shall be sold by auction.

In the event, title shall go to the purchaser who has offered the maximum price in the course of the trading.

2. Auction procedure, terms of participation by purchasers, settlement procedure, and also procedure for formalizing instrument of title shall be regulated by a Statute confirmed by the RSFSR Council of Ministers.

3. Auctions shall be conducted by the Russian Federal Assets Fund, its branches in the localities, assets funds of national-state, national and territorial-administration entities or their duly appointed representatives.

4. The purchase price of enterprise at auction shall be determined in the course of the trading. It may not be brought down to more than 30 percent below the initial price. Where an enterprise has not been sold for such price, it shall be withdrawn from auction, and the certificate of title thereto shall be returned to the RSFSR Goskomimushchestvo, its territorial agency or respective assets-management committee for a review of the privatization plan and initial price.

Article 22. Acquisition by purchasers of shares of public joint-stock companies

1. The RSFSR Goskomimushchestvo, its territorial agency or assets-management committee of national-state, national or territorial-administration entity shall be the founder of public joint-stock company set up on the basis of state or municipal enterprise. The founder shall, in conformity with Article 34 of the Law of the RSFSR on Enterprises and Entrepreneurship, submit for registration with the Soviet of People's Deputies in the place where the enterprise is located the decision to found a joint-stock company, application for registration, its rules and regulations, and evidence of payment of state duty.

2. After the registration of the joint-stock company, the assets-management committee shall convey the founder's right and the shareholding to the respective assets fund.

3. The fund shall sell the shares to members of the work collective of the privatized enterprise on preferential terms, in conformity with Article 23 of the present Law, within one month of the founding of the company. Part of the shares may be placed in the employees joint-stock investment fund formed in conformity with Article 25 of the present Law, and also exchange for investment-fund shares. Thereupon, 10 percent of the total number of shares shall be sold by auction. The rest of the shares shall be offered on the securities market every month in equal portions in the course of six consecutive months or over a longer period.

4. Unsold shares shall remain at the disposal of the Russian Federal Assets Fund or the assets funds of national-state, national and territorial-administration entities.

Article 23. Share-purchase preferences for employees of privatized enterprises

1. Employees of state and municipal enterprises converted into joint-stock companies shall have the right to purchase shares of their enterprise on preferential terms. In the event, share-price reduction shall come to 30 percent of the nominal value. The nominal value of shareholding made available to each member of the work collective on preferential terms may not exceed the sum fixed by the State Privatization Programme. Shares over and above the fixed sum shall be purchased by enterprise employees on general terms.

Installment of three years from the registration of the joint-stock company shall be allowed to enterprise employees in payment for shares purchased on preferential terms. In the event, the sum of the initial payment may not be less than 20 percent of the nominal value of the shares.

2. Shares purchased by enterprise employees on preferential terms shall not be subject to sale or alienation in other form in the course of three years from registration of purchase, this being duly inscribed on the securities. These shares shall not be accepted for trading by banks, exchanges and broker's offices prior to the expiry of the aforesaid term.

3. Preferences in the purchase of joint-stock company shares shall be extended to former employees of privatized enterprise who have retired on pension, and persons who have the right, in conformity with legislation, to return to their former work-place at the given enterprise.

4. The RSFSR Council of Ministers may, within the framework of the State Privatization Programme approved by the RSFSR Supreme Soviet, allow at privatization additional preferences to employees of individual enterprises (industries), including gratuitous conveyance to them of part of these enterprise assets.

Article 24. Purchase of state and municipal enterprises by their employees in competitive tendering (auction)

1. In order to take part in competitive tendering (auction) for the purchase of state or municipal enterprise as purchasers, members of the work collective must, in conformity with the Law of the RSFSR on Enterprises and Entrepreneurship, found a partnership (joint-stock company).

2. Where the partnership (joint-stock company) taking part in competitive tendering (auction) brings together at least one third of the listed staff members of the privatized enterprise or its division, it shall have the right in purchasing enterprise (division) to payment by installments, and also to use part of the residual means of economic incentives funds in proportion to the number of employees entering the partnership (joint-stock company).

3. The aforesaid partnership (joint-stock company) shall have the right to payment by installments when purchasing state or municipal enterprise. The installment may not exceed three years, and the sum of the initial fractional payment may not be less than 30 percent of the purchase price of the enterprise.

This provision shall be effective with respect to contracts of sale or lease concluded prior to the enactment of the present Law.

4. If the aforesaid partnership (joint-stock company) and other purchasers have offered equal competitive terms, the given partnership (joint-stock company) shall have priority in purchasing the enterprise.

Article 25. Purchase of shares (interest) out of employee stock investment funds

1. Employees of joint-stock companies (partnerships) shall have the right to purchase shares (interest) out of the Employee Stock Investment Funds (ESIF) where such have been formed as a share of the authorized capital of the enterprise.

2. The ESIF shall be formed from contribution by the Russian Federal Assets Fund or contributions by the assets funds of national-state, national or territorial-administation entities.

Decision on forming the ESIF shall be taken under agreement with purchaser.

The ESIF may not amount to more than 10 percent of the authorized capital of the enterprise.

No ESIF shall be formed at the sale of the material and nonmaterial assets of wound-up enterprises.

3. Unredeemed ESIF shares and receipts from the sale of shares (interest) shall be owned by the respective assets fund or its duly authorized representative. Uncommitted ESIF means shall be spent exclusively on the purchase of shares (interest) of the given joint-stock company (partnership). Unredeemed ESIF shares (interest) shall carry no voting right.

Article 26. Social guarantees for employees of state and municipal enterprises put up for privatization

1. Enterprises bought by purchasers in competitive tendering or at auction, and also joint-stock companies and partnerships shall be liable for the obligations arising from labour relations determined by collective agreements in effect prior to privatization.

2. Not later than six months after purchaser has formalized instrument of title to privatized state or municipal enterprise, or after it has been converted into joint-stock company (partnership), its head shall have the duty to conclude a collective agreement with the work collective, where the latter has taken such a decision.

3. Purchase of the assets of wound-up enterprise shall not entail for the purchaser any obliga-

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tions arising from labour relations which earlier existed at the given enterprise.

4. Redundancy of employees of privatized enterprises and their job placement shall be regulated by the labour and employment legislation of the RSFSR and constituent republics of the RSFSR.

III. CONCLUDING PROVISIONS

Article 27. Formalities in privatization transactions

1. Irrespective of the ways of privatization, a contract shall be concluded between the vendor and the purchaser of state or municipal enterprise, in conformity with the legislation of the RSFSR and constituent republics of the RSFSR.

2. The contract shall state: information about the vendor, the purchaser and the broker, the name of the enterprise and its location, the structure and price of enterprise assets, including the price of the land parcel (in the event of its sale) or the terms of its lease, the number and price of shares in joint-stock company (interest in partnership), procedure for transfer of enterprise, form and dates of payment, mutual obligations of parties in further use of enterprise, terms on which the given enterprise was sold by tendering, and other conditions laid down by mutual agreement between the parties.

3. The title to the enterprise shall pass from the vendor to the purchaser at registration of contract in the manner established by the legislation of the RSFSR and constituent republics of the RSFSR, unless the given contract provides otherwise.

4. Changes in the juridical and organizational form of the enterprise shall be registered in conformity with the Law of the RSFSR on Enterprises and Entrepreneurship.

Article 28. Duties of vendor and purchaser

1. The vendor of state or municipal enterprise shall have the duty to publish a notice of its privatization, present to the purchaser, on demand , the assets of the enterprise and documents on its business and financial state, convey, once the transaction formalities have been done, the enterprise and evidence of title to it (interest, shares) and also perform other obligations in conformity with contract between the vendor and the purchaser.

2. The purchaser of state or municipal enterprise shall become the successor of its property rights and liabilities in conformity with the terms of contract and RSFSR legislation.

3. The powers of the vendor and the purchaser, as indicated in the present Article, shall cease and shall arise at registration of the contract between them.

4. Disputes over recognition of invalidity of privatization transactions shall be heard in the manner and time period provided for by RSFSR legisaltion.

Article 29. State guarantees of rights of participators in privatization

In privatization, the state shall guarantee observance of the rights of vendors, purchasers, their agents and brokers. Where privatization has involved breaches of the present Law, the RSFSR Goskomimushchestvo, the assets-management committees of national-state, national and territorial-administration entities, and the organs of the RSFSR Procurator's Office shall file lawsuits in court for rescission of transactions and institution of proceedings against persons in default.

Article 30. Invalidity of privatization transactions

1. Transactions for the purchase of privatized state and municipal enterprises shall be deemed invalid where:

– privatization of enterprise was not permitted by the RSFSR Goskomimushchestvo, its teritorial agency or respective assets-management committee of national-state, national or territorial-administration entity;

– the tendering or auction rules were grossly violated;

– the purchaser has refused to make payment for the purchased enterprise or share (interest, stock) in the capital of joint-stock company (partnership);

– the enterprise or share (interest, stock) in the capital of joint-stock company (partnership) has been purchased by person without the right to do so;

– unlawful means of payment were used in the purchase; the vendor and the purchaser have entered into contract on unlawful division of assets or reduction of price of enterprise (interest, shares);

– the purchaser has been allowed unlawful privileges and advantages over other purchasers;

– the terms on which enterprise was purchased by tendering had been breached;

– the requirements of RSFSR antimonopoly legislataion have been breached;

– for other causes provided for by the RSFSR Civil Code.

2. Privatization transactions concluded in violation of the present Law shall be deemed invalid in the manner established by RSFSR legisaltion.

3. Disputes over recognition of invalidity of privatization transactions shall be heard in courts of law or arbitration at suit filed by a vendor, purchaser, broker, procurator, RSFSR people's deputy, Soviet of People's Deputies, RSFSR Goskomimushchestvo, its territorial agency, assets-management committee of national-state, national or territorial-administration entity, and other competent state agency, in the manner and time periods provided for by the legislation of the RSFSR and constituent republics thereof.

Article 31. Liability for breach of the present Law

1. The following breaches of the present Law shall entail administrative liability:

– refusal to accept privatization bid – fine in the amount of 500 to 1,000 rubles;

– breach of time-period for consideration of privatization bid – fine in the amount of 500 to 1,000 rubles;

– nonpublication of a privatization notice, concealment of information on privatized enterprise from purchasers or brokers, misleading a purchaser or broker concerning the structure or price of the enterprise up for sale, concealment of information on the fact of enterprise sale, and outcome of tendering or auction – fine in the amount of 1,000 to 3,000 rubles. The information listed in the present Clause shall be published at the expense of the person at fault;

– denial, without good cause, of sale of enterprise (share) – fine amounting to between 2 and 10 percent of the initial price of privatized enterprise (shares);

– refusal, without good cause, to conclude a collective agreement with the work collective of the privatized enterprise, or nonfulfilment of requirements on social guarantees to employees of privatized enterprises – fine in the amount of 1,000 to 10,000 rubles;

– disclosure of information on tenderers or participators in auction before the opening of tendering or auction – fine in the amount of 200 to 2,000 rubles;

– refusal of payment for enterprise (shares) purchased by tendering or at auction – fine amounting to between 5 and 20 percent of the initial price of privatized enterprise (shares).

2. The procedure and time-periods for the hearing of cases on the offenses listed in the present Article shall be regulated by the RSFSR Administrative Offences Code.

3. Cases on the offences indicated in Clause 1 of the present Article shall be heard by judge sitting alone, on applications (complaints) from assets-management committees, vendors, purchasers, brokers, RSFSR people's deputies, Soviets of People's Deputies, officials of agencies of state power and administration, local administration, public bodies (associations), or on procurator's motion.

Chairman of the Supreme Soviet of the RSFSR
B. YELTSIN
The House of Soviets of the RSFSR
Moscow

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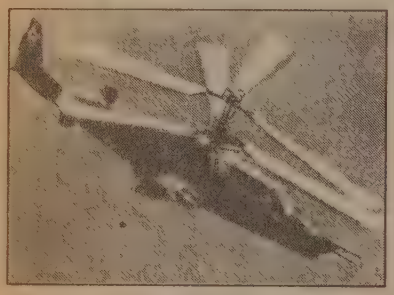
Hokum

The well-known Russian helicopter-building firm, named after N.Kamov, concluded an agreement on joint production and sale of Ka-50 helicopters with the American company Group Vector.



This is the first business contact of the kind between aircraft manufacturers of the two countries. They intend to produce a new generation assault helicopter designed to fight tanks and other armoured vehicles and to give direct support to land forces on the battlefield.

The characteristics of the Ka-50 helicopter proved so impressive that NATO gave it the code name Hokum. The main distinctive feature of the helicopter is that it has only one seat, while its domestic analogues and overseas rivals have a crew of two. Advanced electronics, from a laser sight mechanism to a system enabling it to fly at zero altitude, all aid in its piloting as well as in the use of its powerful weapons.

The pilot cabin is fully armoured and equippid with a bale-out chair. Two domestic-made turbo-jet engines enable the machine, which has two coaxial propellers, to develop a speed of over 300 km/h and render it extremely high manoeuvrability. Its size allows it to be transported on board a Il-76 plane. The Ka-50 helicopter has already been used for shooting a film, in the course of its test flights. It is expected that the helicopter will be adopted by Russian Air Force and Army Aviation units.

La Sorbonne at Moscow State University

The first diplomas issued by the French University College in Moscow will be received by students who have attended lectures by Paris professors during the academic year. This first Western university, initiated by Andrei Sakharov and a French writer Marek Halter, its president, was started a year ago in Russia. The university is subsidized by the French government together with the private sector. One more French university and a French lyceum which will unite schools with the French language as medium will possibly open in St. Petersburg.

This college, situated in the building of Moscow State University on the Lenin Hills, sees its mission in teaching the social sciences. "I would like to diminish to some extent the desire of Russians to leave their country," says Marek Halter. "In what way? By bringing them French university culture." Well-known French political scientists, historians, philosophers and sociologists – Marc Ferro, François Furet, Michel Crozier, Alain Touraine – come to read lectures here.

At present, the budget of the college has reached 2.5 million francs, which is insufficient for its normal functioning, not to mention the opening of one more college in St.Petersburg, a lyceum and a library for the social sciences.

In search of finances Marek Halter turned to the Ministry of National Education of France as well as to various companies and firms. They begin to understand, he says, that culture may open the path to advancing the economy. Some companies, for instance, E.L.F.-Aquitaine and Rhône-Poulenc, render financial aid, others, such as Thompson, pay the tickets for French professors, while Peugeot lent a car for riding around Moscow.

Dollar remittances to Russia

The American corporation Western Union specializing in financial services all over the world announced the expansion of its operations in Russia. Now it sends dollar remittances from the USA to Moscow. According to the head of the international financial service department of this corporation, now a "momentary" dollar remittance to Russia will be possible if one addresses any of the 18 thousand branches of Western Union in the USA. For the time being, Russian clients will be able to receive money only at four offices in Moscow. However, the company intends to open additional offices both in Russia and in other former Soviet republics.

Western Union has already accumulated some experience while working in the former USSR. It started remittance activities late in February in cooperation with the Moscow Savings Bank, but till recently the remitted sums could be collected in Moscow only in rubles at the official exchange rate.

Russian elevators with American speed

Factories to manufacture elevators according to the newest technology developed by the American company Otis, the world's largest manufacturer of lifting and transportation equipment, were built in St.Petersburg and Shcherbinka, near Moscow.

"In half a year," says A.Kochanov, a director of the Russian-American joint venture Shcherbinka Otis Lift, "we'll commemorate the centenary of the appearence in Russia of the first transportation means built by our overseas partners as early as the time of Tsar Alexander III. By this date, our JV and the JV Otis St.Petersburg will start serial production of necessary units and master the installation of lifts for offices, hotels and apartment houses of up to 25 storeys high. They will be installed in Russia as well as exported to Europe, which is even reflected in the title of the model, Europe-2000."

Motorola sets its sights on the CIS

A team of executives from the US corporation Motorola, one of the

world's largest producers of wireless communications systems, computers, and electronics, has recently toured the Commonwealth and the Baltic countries. Their visit culminated in a seminar/presentation of the company's products in Moscow.

Prior to the visit, the company had opened its office in Moscow, something many large Western firms still hesitate to do. Motorola's confidence stems from the fact that the market for wireless communications within the Commonwealth has barely been tapped – in contrast to line communications, in which there is much competition, primarily for contracts to supply international telephone communications equipment.

Motorola, for its part, offers radiotelephone equipment (including pocket-size hand-sets which could be used, for example, to place confidential calls during a stroll in the park), local communication systems, equipment to summon firemen, ambulances and police, and equipment for data transmission, reception and processing.

The company is prepared to examine any proposals from the Commonwealth to participate in its project Iridium, which calls for the installation of a global telecommunications system via 77 satellites.

Motorola's enthusiasm is fueled by the opportunity to add 500 million users in Eastern Europe, the Baltic states and the European part of the Commonwealth to its already 320 million-strong clientele in Western Europe. These alluring prospects make Motorola eager to enter into virtually any form of cooperation, ranging from the setting up of joint ventures and selling licences to opening a branch of its university in the Commonwealth and training communications specialists in our institutes. The specialists will then be employed by joint ventures specializing in the development of advanced technologies. Motorola is also ready to engage in investment activities according to a scheme of sales, production, and investments.

Telecom starts out in Moscow

The state-owned German company Telecom has opened an office in Moscow. This is the company's first office on the territory of the former USSR.

The chairman of Telecom's board, Helmut Ricke, emphasizes that his company attaches special importance to developing telecommunications systems in former Soviet republics.

Telecom produces and operates ordinary telephone networks, mobile radiotelephone systems and electronic data-transmission systems. It also runs the largest services network in Europe.

Telecom is comprised of various commercial undertakings: the reference and information network Inmarsat which provides services to users both on land and at sea, the consulting firm Detecon, the satellite communication service David, and the Telecash network, which enables customers to buy goods on credit in retail shops. The company also operates its own research centre.

Telecom is the world's third largest operator of telecommunications networks. Its annual turnover amounts to DM50 billion, it employs about 250,000 people.

One of the company's current priorities is to upgrade telecommunications in Eastern Germany. Telecom will also be taking part in the implementation of a Russian-German project to create a joint videoconference service.

"Telecom's main objective in Russia is to provide our customers, primarily large industrial enterprises, with reliable communications which will save them money," Mr Ricke said. "We will do our utmost to ensure that people can exchange information any time they want. Ultimately, this will enable them to better understand each other and achieve economic prosperity."

A promising business

There is one "industry" in which Russia can more than hold its own. It is the arts. However, to translate the potential into a competitive edge, efficient commercial undertakings are necessary. The International Arts Exchange, recently opened in Moscow, is one of such intermediaries.

The Exchange provides access to a large market not only to famous artists, galleries and theatre companies, but also to small provincial museums and as yet unknown painters and artists. Any legal entity or individual can approach a brokerage office at the Exchange with any proposal in the field of arts.

The Exchange trades in theatre tours, exhibitions, plays, scenarios, films, demonstrations of fashion, individual contracts within Russia and the Commonwealth, musical equipment, stage sets, theatrical costumes, travel tours, and much, much more.

The Exchange's operations cover the whole world. Its offices have already been opened in many foreign countries.

The Exchange has already received numerous offers both to buy and sell from all over the Commonwealth and abroad. For instance, the famous singer Michael Jackson is prepared to come to the Commonwealth and give free performances, and he is looking for agents to organize the tour. The well-known beauty-aids firm L'Oreal would like to find a partner to open shops in the capitals of the Commonwealth's countries, where its products will be sold for rubles. Yves Saint-Laurent and Pierre Cardin are prepared to provide their cutting templates to clothing factories. There are offers to sell handicrafts and reproductions of paintings to Latin America. All these offers will be examined by the Exchange's brokers.

The Exchange provides its brokers with a data bank on commercial offers from all over the world. The brokers receive information in a number of languages several weeks prior to tenders. A team of lawyers draw up a full set of agreements and contracts, some of them in foreign languages, for the brokers operating at the Exchange.

A genuine businessman is invariably a sponsor and a patron of the arts. The Arts Exchange provides excellent opportunities for businessmen to act out both of these roles.

Northern countries seek EC membership

Russia has not yet framed a new Northern policy

Northern Europe is not grieving the demise of the continent's old order. On the contrary, the region's countries are each throwing a handful of earth into the grave. After 20 years of membership in the European Community, Denmark voted against joining the economic and military union being formed by it. Though not a member of the European Community, Norway allowed its foreign ministers to meet in Oslo. Sweden, which condemned military blocs, sent a minister to put out feelers in the Western European Union. Finland, which gained the right to neutrality from Moscow has acquired the status of an observer in the North Atlantic Cooperation Council.

In Europe's new situation the countries of its outlying region behave in a way previously inconceivable within the framework of the "northern balance." This balance suited both Washington and Moscow: Copenhagen was fully in Europe, a member of NATO and the European Community, Oslo – under US leadership – was NATO's pillar in the North-Eastern Atlantic, Stockholm kept a balance between the West and the East, trying to gain the favour of the former and fearing the latter, Helsinki was compelled to be an ally of the Soviet Union, but breathed "the air of freedom."

A significant tendency is taking shape now. The northern countries want to integrate into Europe in their own way, by casting off former restrictions. Those who were bound by "recommendations" from "elder allies," whether from Moscow, Washington or Brussels, now want to decide themselves with whom to cooperate and how.

Does Copenhagen go into the second league?

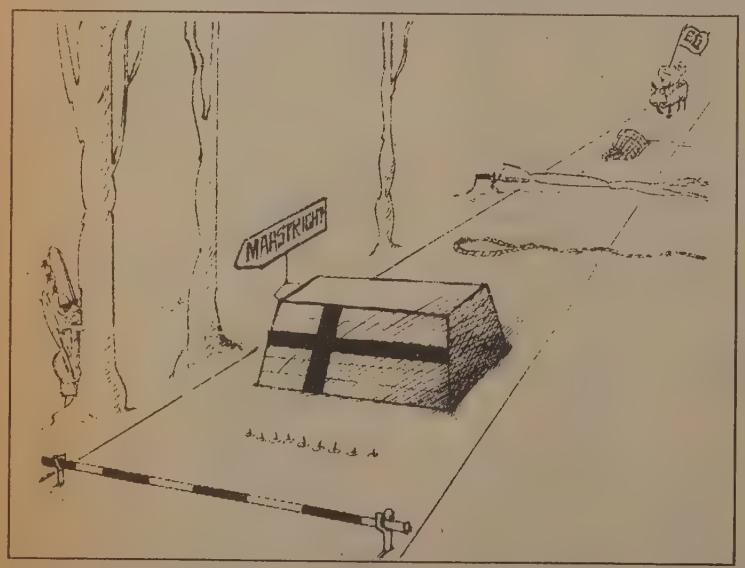
The Danes are pleased with their member status in the European Community. But many of them doubt whether Denmark should follow the way indicated by the Maastricht agreements and waive part of its sovereignty in favour of the European Community's supra-national bodies of authority. The attempts of Prime Minister Poul Schlüter to persuade his compatriots that it is not a major issue had no success. Though the Danish advocates of turning the Community into a Union had ten times more funds and an unlimited access to the mass media, the opponents managed to impart a moral character to the discussion by turning it into a debate about the future of Denmark as a sovereign state.

Foreign Minister Uffe Ellemann-Jensen, who directed the pro-European bloc in the referendum, even deleted the word "Union" from the ballot-papers and found among opponents a couple of Communists who once studied in a Moscow party school. But the verdict passed by the electorate on June 2 stunned the pan-Europeans: 49.3 percent voted for and 50.7 percent against ratification of the Maastricht agreements. The political establishment, which almost unanimously called on Danes to say "yes" to the agreements, suffered a painful defeat.

The defeat was not evidently fully realized because Poul Schlüter prattles something about the prospects of "Denmark's joining the Union on a new basis." Uffe Ellemann-Jensen is more diplomatic. "We shall look for a solution within the limits of reality," he said. These limits were outlined two days after the referendum. At their meeting in Oslo the EC foreign ministers decided to complete the ratification of the Maastricht agreements by the other 11 member states towards the end of the year. Copenhagen has either to go into the second league of the EC or hope that the referendums in France and Ireland will bring victory for the opponents of the United States of Europe and a revision of the Maastricht agreements will then become possible.

In general, Denmark has not lost anything. It simply refused to replace its krone by ecu (European currency unit), bring its National Bank under the control of the EC Central Bank, and make the subjects of the Danish crown citizens of the Union. Denmark also refrained from the common security policy and joint defence of the union as well as its police and border unity.

The parts of the Kingdom of Denmark – the Faeroe Islands and Greenland – "separated" from the European Community earlier and are in good stead. Copenhagen is in a more difficult position because it will not be allowed to enjoy all the benefits of European integration. It is not clear now how the partners will limit Denmark's opportunities, but the Brussels headquarters of the EC will evidently find effective measures. For instance, Uffe Ellemann-Jensen can be asked to leave the hall when his counterparts begin to discuss matters at the Union's level, not the Community's. Nevertheless, the Danes, who "know the taste" of united Europe, remind the other member states that not all is well in it.



A thorny path to the goals of the Maastricht agreements
Drawing from Frankfurter Allgemeine Zeitung (Germany)

Oslo's multifarious aims

NATO's foreign ministers were to meet in Oslo on June 5. Later, they were to be joined by their counterparts from Eastern Europe and the member states

of the Commonwealth in order to hold the first meeting of the North Atlantic Cooperation Council. The referendum in Denmark foiled the plan, necessitating a meeting by the EC foreign ministers first. It appeared that the North Atlantic Cooperation Council is tied to NATO, so to speak, and NATO finds it difficult to do without the European Community. Thus, by virtue of "external circumstances" a chain of interaction among the main forces has become evident, though inadvertently, in the European scene.

Norway is in the centre of "the three sources and three components" of the integration process in the continent. But, unlike Sweden and Finland, it has not yet applied to join the EC. Its leaders want to join the Community. The majority of people believe, however, that it is enough for their country to remain in the single economic space formed by a treaty between the EC and the European Free Trade Association. Oslo wants to diversify its ties with NATO partners so that Norway's security policy does not rest only on military ties with the United States. However, the partners now have more urgent matters to tackle than the northern part of the continent. Lastly, with the help of the North Atlantic Cooperation Council, the cabinet of Prime Minister Gro Harlem Brundtland wants to remove once and for all the spectre of a military threat from the East.

So far progress is noticeable only along the third path. The North Atlantic Cooperation Council has approved NATO's decision to raise peace-keeping troops for Europe. They will operate under the flag of the Conference on Security and Cooperation in Europe (CSCE). A protocol on the division of the Soviet Union's aggregate quota of conventional armaments in Europe between its former republics was signed under the aegis of the North Atlantic Cooperation Council. In the opinion of Norway's Defence Minister Johan Jörgen Holst, this document gives Oslo "the biggest gain in security compared with other countries." For instance, Russia gave up attempts to convert an infantry division in the Archangelsk region into "coastal defence troops." In this case it would not be subject to cuts. US Defence Secretary Richard Cheney, who visited Finland and Sweden in May, noted the lessening of Russia's military strength in the region.

Oslo now has to find out whether it needs close military interaction with the United States, which in the North-East Atlantic at times looks extremely aggressive, or whether it is enough for Norway to become part of integrated Europe, which will eventually beef up its military muscle too. There is not much time for consideration. The European Community awaits Norway's application only till the end of the year.

Oslo also seeks to expand its cooperation with Russia. The only obstacle now is the unsolved problem of the delineation of economic zones in the Barents Sea. Sources in Oslo and Moscow intimate that the positions of both countries have drawn closer together. However, Russian and Norwegian representatives did not sign a treaty when the North Atlantic Cooperation Council met in Oslo. It can be hoped that Boris Yeltsin and Gro Harlem Brundtland will make this last step at the Helsinki-2 conference in July.

Departing from neutrality

Sweden today has no fundamental differences with Russia and its Defence Minister Anders Björk does not even believe in the possibility of aggression from the East. "Sweden is going to fully take part in the common foreign and defence policy, as it is envisaged in the Maastricht agreements," he said at a meeting of the Western European Union with a hidden reproach directed against Denmark. "The situation in Northern Europe," he added, "will depend for a long time on events in Russia, now in a state of economic, political and military break-up."

Stockholm is overtly departing from traditional Swedish neutrality. Prime Minister Carl Bildt calls it "an obsolete notion." Information about a long-time secret partnership between Sweden and the United States and NATO is being leaked to newspapers with the aim of burying the history of neutrality in oblivion. It confirms that Stockholm exchanged intelligence data with the United States and NATO on a wide scale. There was even a special channel for radio communication between their headquarters, and Swedish air bases were prepared to accept US Air Force planes.

The government persistently seeks to join the European Community, though current participation in the European economic space already suits the country quite well. Stockholm explains its efforts to make a breakthrough to the continent by belated and concealed love for everything that is "European," the desire to join the group of countries which adopt important decisions for Europe and have the potential to carry them into effect. After the break-up of the group of neutral and non-aligned countries which played in the CSCE on contradictions between NATO and the Warsaw Treaty, Stockholm lost its former authority. Besides, its partners – Austria, Switzerland and Finland – also want to join the European Community.

Far from every Swede will like a sharp change of policy. Some regard it as Carl Bildt's servile attitude to major powers. So far neither the advocates nor the opponents of the European Union can prevail. The example of Denmark will certainly make the current discussion more profound. A verdict is to be passed at a referendum. The previous referendum, which decided on winding down the nuclear power industry in stages, shows that the Swedes are prepared to take drastic and costly steps for the sake of their convictions.

Russian border, US warplanes

While the Danes, Norwegians and Swedes argue, the Finns solve ticklish problems quietly. After the break-up of the USSR, Helsinki quickly gave up the policy of friendship and mutual aid in its relations with Moscow and began to establish ties with Western states. Amid the noise over "the danger of an excessive concentration of troops" on the frontiers of Russia the government decided to buy not Russian, Swedish or French, but American warplanes.

In the opinion of experts, 67 heavy two-engine F/A-18 planes are much more expensive than MIGs, Gripens and Mirages. Defence Minister Elisabeth Rehn explains the choice as based "only on the characteristics" of American weapons. A Swedish newspaper quotes the US military attache in Helsinki as saying that F/A-18 planes ideally suit the task of retrieving the occupied Karelia. Though a statement of this kind is impossible to confirm or refute, an official explanation by Elisabeth Rehn should be cited here: "The decision to buy American planes is a signal to be given (to the world)."

Signals like this now come regularly from Helsinki. Hardly had the Foreign Ministry made known its interest in obtaining information about the work of the North Atlantic Cooperation Council when the observer status, on Washington's initiative, was given to Finland, though such a status is not envisaged in the Council's regulations and has not been granted to any other country. Proximity to Russia and silent emphasis on intensive cooperation with the United States and NATO are the trump-cards of our neighbour. It is significant that the Finnish leadership is in a hurry to use them right after the signing of agreements on good-neighbour relations with Moscow and on the eve of the Helsinki-2 summit conference on security and cooperation in Europe.

Calls to join NATO are made in the news media. Opinion polls show that a little more than half the population support this idea. Prime Minister Esko Aho refrains from making comments on this question, though in March, when Helsinki applied for NATO membership, he said it did not mean membership in the Western European Union and provided for independent national defence. The advantages of European military cooperation evidently seem less attractive so far than the protection of the powerful North Atlantic bloc.

The ending of the "glacial" period in Northern Europe is not a cause for panic in Moscow. But it is foolish to pretend that what is taking place concerns only the peoples of that region. An entirely new situation is shaping before our eyes, without Russia playing practically any part in this process. If Russia is fated to join the northern wing of the shaping unity in Europe, it will benefit from the transformation of the region. If not, there will be no benefits. The political leadership of Russia, especially the Foreign Ministry, is late in implementing a new northern policy. There is simply no such policy. There is only an instruction by the President to formulate it.

Alexander Polyukhov,
NT correspondent
STOCKHOLM

Wojciech Jaruzelsky:

"The bravery of a rooster is alien to me"

General Jaruzelski kept his promise: passed on to *New Times* for publication several excerpts from his new book *Martial Law. Why?* Not yet published, the book has already been the focus of public attention. There are many sober-minded people in Poland and in the world who contrary to those craving for the general's trial are certain: a monument will be erected to him by his compatriots, for it is his authority and courage that not only saved the country from "fraternal aid," but prepared its transition to peaceful, bloodless democratic transformation.

Rudolf Borecki,
New Times correspondent

I flew into Moscow for the 26th party congress held from February 23 to March 3, 1981. The "inviolable unity" of the socialist countries was persistently stressed in the report delivered by Leonid Brezhnev with difficulty, and in the discussion that followed. Speakers pointed to the need of arms cuts and détente.

In the congress lobby I met with marshals, generals and officers whom I knew for many years. Their behaviour fluctuated between two extremes. It was seemingly cordial, as at first, when we recalled our common military past. But when the conversation turned to Poland, their faces stiffened.

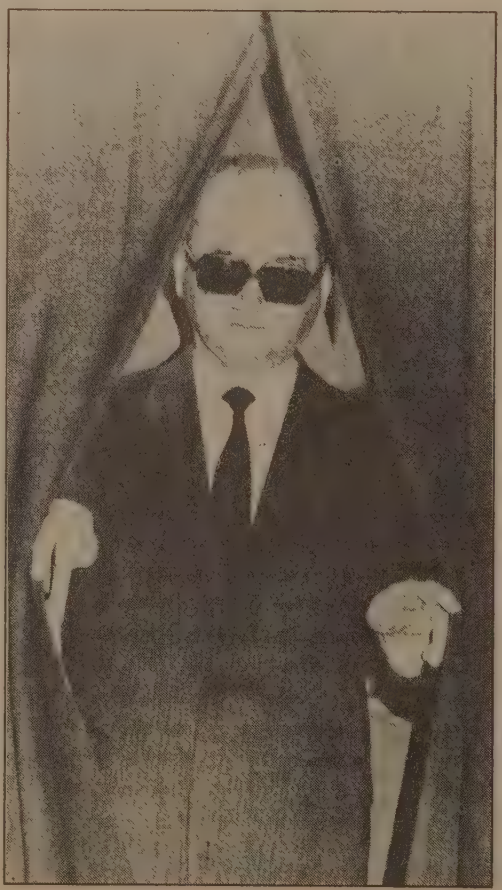
"I recall Soviet tanks"

My attitude to Russia, the citizens of the former Soviet Union, has undergone a long evolutionary process. I didn't learn about ordinary people's lives in that country from books, their hard, sometimes backbreaking labour, their sacrifice at home and heroism on the front. What is important, I came to know their soul, the Russian mentality, character, customs and literature. The anomaly of the system is one thing, the people are something else again. After all, they became the first victims of Stalinism.

As fate willed it, I found myself on the Russian, not another, front, and from the front I returned home. Strange as it may seem, thanks to this circumstance I do not draw unilateral conclusions about Russia and am free from anti-Russian and anti-Soviet sentiments.

In 1942, Ksaweri Pruszynski wrote in a Polish newspaper published in London: "Poles living in Poland, remember the cross in Totskoye when you talk about Poles staying in Russia. This cross seems to have been put up over the nameless graves scattered in a foreign land. It has arisen out of the misfortunes, suffering and ordeals of Poles. It has been cut out of the tree of Polish slavery and injustice, but it has also risen up as a token of forgiveness. Poles have taken up arms to fight, jointly with Russians, against Germans on Russian soil. No wonder they have erected this immense and magnificent monument as a symbol of forgiveness and unity. They have hewn the cross out of what they experienced themselves and have brought their experience as the greatest human sacrifice to the alter of Poland. It is a sacrifice of those who have fully experienced injustice, bitterness and humiliation. Going away from that foreign land, they left this symbol of peace and forgiveness so that it would revive peace also between the two peoples."

The following words of Cyprian Kamil Norwid can be recalled here: "If the Poles are unable, or do not want, to make the enemies of their homeland at least tolerable neighbours, all their efforts are useless."



For many of my compatriots the "Russian" and the "Soviet" are associated first of all with the absence of freedom. As for me, I recall Soviet tanks every time. I saw them for the first time when I was a boy, in September 1939, when I was hiding in the forest near Grodno. I remember the detestable crunch of their caterpillar tracks, the awful roaring of guns, blood and the bodies of killed Polish soldiers. Later on I saw Soviet tanks on the front. They saved my life. After the war, together with Polish tanks, they stood on guard at our frontiers. It would be a dismal tragedy if they came to Poland with a different purpose, with a different combat task.

Today people can easily and freely express their opinions about so-called Soviet problems. They heatedly vie with each other over striking at the fallen colossus where it hurts the most. Those who only recently looked at it with servility or at least with respect suddenly felt a surge of courage.

During the past decades I have been a staunch champion of a close alliance and friendship with the USSR. I thought it was the best option for Poland. I am not going to renounce this opinion today. It would be an insincere act guided by consideration of the current times. Paraphrasing the words of wise Urho Kekkonen, we "have friends far away and not so far," in the

West and in the East. History has given us such a chance for the first time, and we must not miss it.

Meeting Jaruzelski at the 26th Congress of the Soviet Communist Party, Brezhnev smiles beamingly, while Defence Minister Ustinov takes a sombre look at the future

"We transfer 100 million dollars"

The experience gained over the years allows me to draw one more conclusion. Moscow's reaction to events in other socialist countries varied. Everything depended on the character of events and the forces behind them. If even the most explosive situation arose owing to social and economic causes, the Soviet leadership adopted a moderate stand.

Social and economic demands were the main cause of events in December 1970. It was a spontaneous workers' uprising with the absence of an organized political force. The Soviet leadership spoke out resolutely in favour of a political solution to the problem. This is evident from a letter sent by the Politburo to the Polish United Workers' Party.

I was convinced of that personally. In the morning of December 19, I had a call from Soviet Defence Minister Andrei Grechko, who asked my opinion about the events. I tried to reassure him. Grechko, who was certainly speaking not on his behalf only, agreed that the problem could be solved only by political means.

Here is another example. Lodz in February 1971. A wave of strikes and protests against price rises in December 1970. The talks of Premier Jaroszewicz, trade union leader Kruczek, PUWP leadership member Szydlak and others with the striking workers did not bring results. The Politburo met to discuss what measures could be taken. The freezing of prices would mean to increase the budget deficit and, finally, to ruin the economy. Somebody proposed asking Moscow for help. Jaroszewicz went out and returned 15 minutes later. "I talked with Kosygin," he said, "the Soviet government will transfer 100 million dollars to a Polish account in one of the Swiss banks." At that time this sum was much more valuable than now. As a result, we avoided price increases.

An explosive situation arose in 1976 – in Radom and Ursus. The question of increasing prices was again on the agenda. A conference of Communist and Workers' parties was to open in Berlin in a few days. Babiuch, PUWP leadership member, told me that the Polish and Soviet delegations had already met. Gierek informed Soviet leaders that prices would be raised, though not very high. Brezhnev strongly disapproved of the proposed measure. Moscow feared, not without grounds, that this measure would ignite a new explosion.

Finally, August and September 1980. The Polish events acquired an alarming character for the Soviet leadership. However, they were still regarded as economic protests. True, a suspicious trade union appeared. But there was hope that its demands would not go beyond the social sphere. We again received substantial material and financial aid from Moscow.

Let us return to the events of 1956. Khrushchev reacted angrily to what happened in October of that year. There were signs of military preparations. Then came events in Hungary in 1956 and in Czechoslovakia in 1968. Moscow behaved quite differently. It emphatically denounced these politically motivated events because they were political, and not mainly economic. Moreover, organized powerful opposition forces with obviously anti-Soviet intentions were behind them. This explained our own fears too. Solidarnosc developed into a political movement with new demands. At this point Soviet patience was exhausted.

Soviet anxiety over events in Poland

During the 26th party congress in Moscow I met with Premier Tikhonov and submitted our numerous economic problems to him. I heard in reply that despite its internal difficulties, the USSR would give aid to Poland and that the agreements and commitments with regard to Poland would be carried out. Soviet export on credit terms would be increased compared with the plan. Tikhonov asked me with anxiety about the situation in Poland. He complained about anti-Soviet actions and did not conceal that they might have an adverse effect on our economic relations.

I tried to explain that facts of this kind had long historical reasons and that on the

Autumn 1980. Moscow does not express acute anxiety as far as discontent is expressed in public prayers at the Gdansk shipyard and by economic demands

whole they had a transient character. Tikhonov behaved properly and listened to my arguments with polite attention. I could feel Kosygin's good "school." Tikhonov was a pure pragmatist in economic matters, but, like others, piously respected party decisions. No wonder that during our conversation he constantly stressed the dependence of economic issues on the political climate.

If the "creeping counterrevolution" was not repulsed, he said, Poland should not count on success in overcoming its economic difficulties. I tried to persuade the Soviet premier that until the economic situation improved, there would be no chance of restoring political trust and achieving stabilization. Tikhonov insisted that to bring about an improvement in the economy we should gain control of the political situation and subdue the opponent.

More reports came from Poland during the 26th party congress. Some centres of Solidarity protested against Stanislaw Kania's speech. As was usually done before, he congratulated the congress delegates "on behalf of the Polish people." Protests were sparked by Kania's reference to the Polish people and his thesis about counterrevolution. Moscow was indignant on learning about this reaction in Poland. An unpleasant note appeared in our conversations with Tikhonov. He coolly noted that each high-placed Soviet official was watching the growing conflict in Poland with alarm. At that time I understood these words as a moral assessment of the events. The future showed that they contained a warning.

On March 4, the Polish delegation met with the Soviet leadership. Brezhnev was the first to speak. He was followed by Ustinov, Suslov, and Andropov. They all pointed out that anxiety over the situation in Poland was increasing. The counterrevolutionary forces were acting with impunity. Illegal meetings and congresses were held. One of them was a congress of individual peasants. Michnik and Kuron had not yet been arrested. The two men, as well as Walesa and Moczulski, were mentioned with various degrees of enmity in practically all our talks with Soviet leaders. I can admit that besides Walesa, whom we tried to spare on the whole, we sharply condemned all others. However, we avoided talking about arrests. It would sound noble if I said that we did that for humanitarian reasons or because of respect for law. By no means. I do not want to paint ourselves as so noble. We were simply convinced that the policy of repressions would trigger a directly opposite reaction in society and aggravate the conflict.

We were told: it's good that the government is headed by a general. However, dual power remains in the country, and concessions are made again, as was done in the case of students. Soviet leaders had pretensions regarding the student strikes in Lodz. They could be ended only at the price of compromises disliked by Moscow. This concerned the teaching of Russian, the military training of students, and the registration of their Independent Union. Lastly, we were told, what was going on in Poland was a negative influence on other socialist countries. The sea border is open, and arms could be smuggled in from the West. It was time to take resolute measures, go over to the counteroffensive.

The arguments of Polish leaders

Kania and I spoke on behalf of the Polish delegation. We argued that the key to the solution of our problems lay in restoring public confidence in the government and the party. It was difficult to find common language with the people because, first, former sins hinder contact with them; second, the opposition was not asleep, and, third, the situation in the economy was disastrous. We needed time and restraint and had to conduct painstaking work, the tactics of active defence was therefore better than chaotic attacks. We were well aware of the important place Poland occupied in the military-political bloc of socialist countrties. If the situation assumed a dangerous character, we would be able to cope with it, even by taking emergency measures. Our assurances were taken with restraint. It became clear from the faces of Soviet leaders, their gestures and cool parting that the situation was obviously complicated.

I am still asked why we listened to all these pretensions and charges. Why did we give explanations and make excuses? Why were we in the position of people who always had to defend themselves?

The bravery of a rooster likely to go to the butcher the next morning with its brood has always been alien to me. Nor did I try to behave like an ostrich believing that things will settle down somehow. I have tried never to forget that between fear and bravado lies a broad field for courage and common sense. The fate of Poland was indeed a value greater than life. Neither Kania nor I can reproach ourselves. Our personal dignity and the interests of the state were not infringed. But it is evident that a weak man speaks in a weak voice. He may break into crying. But the repercussions will be weak, hardly noticeable.

Do we talk loudly today? A man can think too much of himself, but this seldom produces an impression now. We are simply weak and poor. We need support, and

others need us less and less. Ten years ago the situation was much worse and the world alignment of forces was different. Geopolitically, Poland was in the very centre of an iron hoop. The core was soft and the hoop was hard. Besides, we constantly stretched out our hands: please, give, help, support, because we are in a desperate situation. Forgive us for not supplying coal, but please, deliver meat, cigarettes and washing soda. Those asking are always at a disadvantage. That is why we had to listen to what we were told, and we were not the only ones.

Historians know well, for instance, how the French treated us in the times of Grand Duchy of Warsaw, how Napoleon's marshal Louis Davout strictly pointed out or even reprimanded some of our politicians, ministers and generals, including Jan Henryk Dąbrowski. It can be recalled in what tone Churchill spoke with General Sikorski, to say nothing of Mikolajczyk (both members of the Polish émigré government during WWII – **Ed.**). Only one conclusion can be drawn: if a country does not want to throw herself upon the mercy of others, it must be strong.

December 13, 1981. Economic demands had been replaced by political, and Gen. Jaruzelski thought it would be better to see only Polish tanks in the streets of Warsaw

Photos from Der Spiegel

The "crown" of the Warsaw Treaty

A significant phrase appeared in the official report on our talks: "The socialist community is indestructible, and its defence is not only an internal affair of each state, but their common cause." Our attempts to amend the text failed. The host party handed the final variant to the media. In fact, it was a reaffirmation of the "Brezhnev doctrine." The report delivered by Brezhnev at the party congress said: "The Polish Communists, the Polish working class, the working people of that country can fully rely on their friends and allies. We will not leave socialist fraternal Poland in the lurch and will not allow anyone to offend it."

I have met with Zbigniew Brzezinski several times, the last time, a year ago, in my house. There is much that divides us. But I value his knowledge, political temperament and most of all, his interest in Poland and Eastern problems in general. His numerous statements, especially in recent time, are quoted today almost devoutly. However, it is worth recalling his earlier publications too. In his book *The Soviet Block – Unity and Conflicts,* published in London in 1964, Brzezinski writes, for instance, that Poles, hostile to communism and Russia, should not forget how Poland would look in the Western bloc. It would evidently hold a place far behind America, Germany, France, Italy and many other countries. Taking into account the importance attached by America to Germany, Poland would be doomed beforehand to defeat in any Polish-German conflict. In the socialist camp, the proportions are quite different, Brzezinski wrote further. Poland is a large state of people's democracy, the third after the Soviet Union and China and the second in Europe.

What the same author wrote 20 years after is even more significant. In his book *Game Plan,* published in London in 1987, Brzezinski, assessing the importance of Poland for the Soviet Union and the Warsaw Treaty, called it an **axis** state. The role of an axis state, he wrote, is determined by its geopolitical position which exerts political or economic influence on the entire region. Its role can also be determined by geostrategic position, which is important from the military point of view. The domination of Soviets over Poland gives them the key to control over Eastern Europe as a whole. Poland's geostrategic position lies not only in its location on the way to Germany. Possessing Poland, Moscow controls more confidently the situation in Czechoslovakia and Hungary and also isolates the non-Russian nations of the Soviet empire from Western influence. A more independent Poland would weaken control over Lithuania and Ukraine. Poland with its 37 million population is the largest of the East European countries under Soviet domination, and its armed forces are the most powerful of non-Soviet armies in the Warsaw Treaty, Brzezinski wrote further. Moscow pays dearly for the axis position of Poland and the underestimation of it would cost even higher.

Brzezinski knows what he talks about. He said that in the latter half of the eighties. In 1981, his words would probably have an even greater force. In any case, I realized this in full measure. I would even say that Poland was the "crown" of the Warsaw Treaty and the German Democratic Repuiblic was a "gem" in this crown. Here is a clear argument: the Berlin Wall collapsed only after the events in Poland.

The logic of the postwar division of the world was simple, and I would say inexorable. In Teheran, Yalta and Potsdam, the allied leaders said "A", and until the historic change of the Gorbachev epoch came, the nations ought to have lived in keeping with the laws "B." Soviet generals can also read maps, and it is from this angle that they considered Polish problems. If I were in their place, I would, perhaps, consider these problems from the same angle. He who does not understand this today is either ignorant politically or is engaged in political manipulation.

In the long run, it is not the verdict of politicians, but the verdict of Polish mothers that is important for me. Their sons have returned home alive.

The Kuril syndrome

The Sakhalin Region observed the Kuril Islands Day. The idea was suggested by Russian MP Sergei Baburin

Meetings and other events in defence of the Kuril Islands as a part of Russian territory were to be held all over Russia. The city of Yuzhno-Sakhalinsk expected guests – Member of Parliament Sergei Baburin, associate editors of the newspaper *Den* (Day), and Petersburg TV commentator Alexander Nevzorov, widely known for his *600 Seconds* programme. True, a discordant note was struck by a representative from the South Kuril District – a journalist from the local newspaper *Na Rubezhe*. He expressed indignation over similar measures, saying they did not take the opinion of the Kuril islanders into account, and insisted on the need for economic and legal autonomy of the islands, on the right of its population to develop the shelf. Members of the organizing committee gave a strong rebuff to the trouble-maker. One of them noted cooly: "These islands do not belong to you alone."

The first signs of the Kuril syndrome appeared on June 6, 1778, when the Russian expedition led by Lebedev-Lastochkin politely but firmly demanded that the Ainus, the indigenous people of the South Kuril islands, pay *yasak* (fur tax). The Ainus complained, saying: "'We have lived here for ages and did not pay *yasak* to anyone before." But it was difficult to argue with armed Cossacks. Moreover, the unfortunate Ainus were declared Russian subjects.

Russian pressure was always felt on the Kuril Islands. The interests of the Russian state were deliberately placed above those of the local tribes, Japanese and, in general, all "aliens" living in the easternmost part of the continent. Perhaps this explains the lack of information about the war waged by Russia against the local population of the Kuril Islands between 1770 and 1774, the semi-compulsory resettlement of Kuril Aleuts to Russia in 1877, and the gross violation of the cease-fire agreement by Stalin during the Kuril landing operation in 1945.

The statistics on the economic and social development of the Far East give food for thought. Only 21 percent of the Kuril islanders are directly connected to the fishing industry. The others make up the administrative and managerial personnel or are the families of servicemen, that is, those who do not produce anything. How much fish and marine products obtained in the local area remain at the disposal of the Kurils and Sakhalin. Perhaps two percent.

The administrative and managerial bureaucracy is interested most of all in retaining the *status quo*, not in the development of market relations in the Far East or cooperating with Asian or Pacific states. The trawlers of the traditional fishery structures in the Far East – the former Kamchatrybprom, Magadanrybprom, Primorrybprom and Sakhalinrybprom now transformed into various types of business associations are ruining in a planned manner the fish reserves of the Sea of Okhotsk by using huge trawls. The former Party officials and economic executives now hold responsible posts in the administration of Sakhalin's Governor Fyodorov.

There is much talk about Cossacks who are going to "develop" the Kuril Islands anew. One can only guess where the Sakhalin Cossacks find millions of rubles for the building of their villages and the purchase of the hydroplanes flying to Kuril Islands. For financial reasons the local authorities cannot organize even helicopter communication. Incidentally, the Kuril Cossacks suggested that the Sakhalin ataman should be removed from his post for speculation on the Kuril theme and be sentenced to ten lashes.

The local Kuril officials who remain in their posts since the old days are adding fuel to the fire in their own way. For instance, Vladimir Kashpruk, Deputy Chairman of the Kuril District Soviet, warned the Japanese and the Russian Foreign Ministry: "I'm a good shot." However, he overlooks the abuses by a number of mainland and local cooperatives and joint ventures (e.g. Polymer, Ostrovnoi) committed in the exporting and processing of fish. He also suggested that local organizations should be forbidden to serve Japanese tourists. At the same time, his family owns a private enterprise, Voyage, engaged in the servicing of Japanese tourists.

Over 80 percent of the electorate demanded that Kashpruk should be recalled from his deputy post.

Poor Kuril Islands! They are needed only as a symbol of a "Russian stronghold" or a source of enrichment. The plans for fuel supplies were wrecked. The villages and towns often remained without electricity. Owing to numerous charges (the delivery of goods to Sakhalin and then to the Kuril Islands on motor ships) the prices of goods are now among the highest in the country. Transport communication has virtually been interrupted. The airport on Kunashir has been closed for an indefinite period. The number of vessels serving the Kuril passenger lines has been cut. For two or three weeks women with children spend their nights in warehouses.

On top of that, one more plague – unemployment – has affected the Kurils. It is especially hard there because the dismissed are unable to find work anywhere on the islands. At the largest Shikotan fish-processing factory Ostrovnoi, several dozen specialists have been discharged. By summer, the number could rise to several hundred.

Under these circumstances, was it just the time to celebrate Kuril Islands Day, or as they earlier recommended calling it the Day for Protection of the South Kurils?

Only 21 percent of the Kuril islanders are employed in the fishing industry. The others make up the administrative personnel and servicemen

Oleg Bondarenko,
correspondent of the newspaper *Svobodny Sakhalin* (Free Sakhalin), exclusive for *New Times*

THE MOSCOW STATE INSTITUTE OF INTERNATIONAL RELATIONS OF THE RUSSIAN FOREIGN MINISTRY ANNOUNCES STUDENT ENROLMENT

for the 1992/93 academic year to the following faculties:

International Relations Faculty

- foreign policy and diplomacy
- world politics and economy

Faculty of International Economic Relations

- foreign economic activities (inclusive of investments cooperation)
- international currency-credit and financial relations
- economics and organization of international transport operation
- auditing and accounting in foreign economic activities
- marketing and foreign economic advertisement

Faculty of International Law

- international public law
- international commercial law
- customary and administrative law

Faculty of International Information

- international journalism
- foreign tourism
- public relations

The period of study is 5 years, except for those studying Oriental languages at the International Relations Faculty where the period is 6 years.

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The Admissions Committee

"Slav Woman's Goodbye"

The CIS team at the European world soccer championship

"Chaps here are crazy, so much beer but nobody pinching it." That hoarse English shout struck a spark of sympathy.

I had to tell the British soccer fan that the crowd at the supermart was composed of normal Stockholmers and that Swedes were too shy to pinch bottles from the 200-metre-long counter. I added that the beer was non-alcoholic, upon which the English fan seeking "the hair of a dog," raised his eyebrows.

Veritable ocean of beer

What seemed as crazy to incoming English fans was that the drinking of even legitimately purchased alcoholic beer provoked no scuffles. Desirous of bringing this European backwoods closer to the high points of British football hooliganism, its "missionaries" went in for rowdyism that overshadowed the championship. The beating up of "opponents" and the ransacking of shops was attended by the hunting down of press photographers and TV cameramen, whose efforts have more than once served as evidence against hooligans in the law courts.

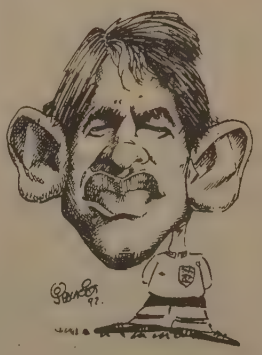
However, the rowdies lost out, inasmuch as Swedish cops figured their 4,800 men would find video cassettes better than clubs to control the 5,000 British fans. Camera-focussing cars relayed on-the-spot episodes to the control panel that had been employed earlier by the police team investigating the assassination of Prime Minister Olaf Palme. Whether the rowdies will be really penalized is hard to say: though a ten-year prison sentence was threatened, actually they were dispatched back home free by air. Now the West German fans took over.

Many thought it sheer lunacy for the Swedes to set up "crazy corners" where beer was vended, fans could congregate, and one-armed bandits and darts were allowed.

I must say pretty good preparations had been made to control the hooligans. There were more German shepherds, police patrols were better equipped and spectators were frisked. The entire operation was managed by a brains trust incorporating policemen from the countries represented. Naturally, British detectives, so familiar with rowdyism, bore the brunt. The Russian general was bored, marvelling why such a country as Sweden needed police generally.

Indeed, the some 300 fans from the CIS republics did not piss outside the pubs, and did not smash windows. Not to say they didn't drink. They had other interests in mind. Some sought to sell something a good Moscow friend had furnished, others to vend the free tickets received. Still some were true fans at heart, who wanted to see the last game CIS footballers would play. True, my German neighbour on the grandstands wondered what could prevent the CIS republics from fielding a joint team, as in his country some Lands, though quite capable of entering their own teams, prefer to have one good national team instead. At this point he indicated the Abkhazian footballer Akhrik Tsveiba, who left Georiga to play for the Kiev Dynamo and who now wore the CIS colours at the European Championship for his first and most likely last time. "How are you going to divide him?" the German queried.

Collision with Russians cost German footballer Rudy Völler a broken arm



Gary Lineker – English knight of the rueful countenance?

Völler's arm and Papin's leg

I wondered how German soccer skipper Rudy Völler felt. "I clashed with Igor Dobrovolsky and broke my arm," he grinned. "Collision with Russians has always cost Germans dear."

Let me note that Britain's example of entering two teams for the championship would seem to show that one country could field several national teams. Yet though pop star Rod Stewart had flown in to back the Scots, they were pretty pale, their only memorable achievement being the win over the demoralized CIS eleven. The English, who were seen as favourites, were rather under the weather. Even Gary Lineker was downhearted as his son had been diagnosed as afflicted with leukemia. As a result, after the upset at the championship, he resolved to move to Japan, that fairytale land for the professional, and devote time and bigger fees to his boy's salvation.

Whereas Germany was worried about Rudy Völler's arm, France was concerned over Jean-Pierre Papin's left leg. In the locker room he concealed from photographers his swollen leg behind a newspaper. True, he managed to score a goal in the decisive game against the Danes, who nevertheless robbed the French of all chances of getting to the semifinals. Apparently Michel Platini who is now the coach, would have been more to the point as the forward he had been, as without him, as one commentator acridly remarked, the team was more like a supper devoid of wine. On the other hand, the Danes who prefer beer, enjoyed a "wonderful supper."

Still tops in the Dutch team was Ruud Gullit, the sparkling forward, who at the previous championship had knocked out the Soviet team. He has not lost heart even after a thorny period keynoted by di-

vorce, injury and the death of friends in an airplane crash. Since what the experts say of him is common knowledge, let me repeat what women think of his sex appeal. "What legs, bum and eyes!" A local TV anchorwoman enthused. Such is the sequence, she believes, in which women let eyes travel along his body. Unlike the Swedish tradition not to filch nonalcoholic beer, there is no ban on taking delight in the beauties of someone else's body.

Instructing the wife

The triumph of female logic was most noticeable in Norrköping where the CIS team was based. One local fan, Ivar by name, who said he could be called Ivan for sake of convenience, introduced me to a "Manual for Championship televiewing," which he and his friends had drafted. It ran:

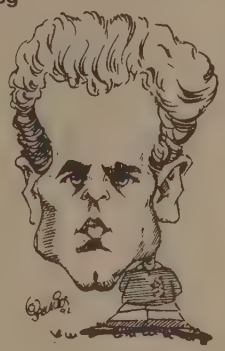
1. Though no wife must talk soccer with her husband, she may listen to his professional assessment.

2. Pets and children must be fed and put to rest 15 minutes before the game begins.

3. At least three bottles of ice-cold beer must stand on the table five minutes before the game starts.

Soccer scalpers, aware that Swedish football grounds are small, with not enough seats, toted up in advance the profits they thought could be derived from vending tickets, not so much those sold long before at home, as those quota'ed for other countries. However some lost out during the very first games. Thus, in Norrköping, a 300-krona or $50 ticket to the Germany-CIS match sold at but 50 kronor, as local fans had bought up tickets in advance. In fact, I myself saw how just three or four minutes after kick-off, a gentleman with his lady friend acquired two tickets for

No pictures were allowed of Jean Pierre Papin's left leg



Oft-scoring Dutch star Dennis Bergkamp

Dane Michael Laudrup sent his kid brother to Stockholm to play in his place

but a tenner. Curious, I asked one scalper, whether he had snapped up tickets at the 300-krona price beforehand or had bargained with my compatriots. "Eff off," he retorted angrily, however at once inquiring: "Tell me, could you acquire some spare tickets for the finals?"

To sum up, the footballers played, the spectators watched, the cops stood on the alert, and the hooligans rampaged. A few words now about the politicians, who sought popularity in the aura of this national festival. Advocates of temperance demanded prohibition of sales of strong beer, the law-enforcers that the organizers pay the police more, while the feminists wanted equal allocations for men's and women's sports.

In that respect Prime Minister Bildt marched with the rest, when visiting the Stockholm fan centre that occupied a field where usually dogs are walked and march-pasts are held. As dogs interest him far less than parades, wicked tongues claim he had come to strut in front of voters. Though fans booed, as an old hand he's, this one-time chief of the Icebox Youth Centre jokingly asked the two right and left parts of the crowd to compete as to who could yell loudest. The left half won, though Bildt himself inclines to the right – in politics, that is.

A Russian Vice-Premier was not as lucky when in place of talks in Stockholm he said he would like to see the game in Götebord at the Swedish government's expense. His hosts broadly intimated that this was not on the programme and that they would prefer to discuss business. The poor chap sought to have his colleague, another Russian Vice-Premier, who had also flown in, to take over, but he caught himself up short in time realizing that the Swedes would immediately figure out why Russia's Premier had so many vices.

More goals in the net, less tears in the eyes

Sports commentators are of one mind in warning that even Ukraine will not be able to field a team in Europe, even were it to summon players from foreign clubs. So what can the Abkhazian-Georgian-Ukrainian-Soviet CIS player expect? A contract with Manchester United? Or playing with the Kiev Dynamo? He and especially his spouse prefer the English option, while the goalkeeper from the Moscow Spartak team and his wife would like to go to Spain. Hopefully, players will find talent and expertise useful in the new conditions. But will we see any new Tsveibas or Harins?

Two-thirds of the CIS team fielded against the Dutch had come in from such European clubs among others as Glalsgow, Benfica and Español. There is nothing to decry here, as though there are quite a few countries who cannot pay topnotch footballers what they really deserve, they on the other hand can export good men, which will thus maintain the overall high standard of the younger replenishment. That has long been the case for instance, in Denmark and Sweden, whose national teams reached the semifinals along with such soccer giants as Holland and Germany. Note that these "small" countries are by no means among the "poor" and have the wherewithal to invest heavily in national sports programmes. In major soccer states it is rather rich clubs that furnish the sinews. However, in CIS, and Russia is no exception, there is no money in the budget and for the time being there are no rich clubs either. No wonder virtually everyone I buttonholed, expert and fan, were worried about the future of the Soviet – yes, yes, Soviet! – school of football, over which darkness has currently descended.

Sad to say, this time the performance of our picked team, though accompanied by the "Slav Woman's Goodbye" march as played by Anatoly Byshovets, was clearly off colour. Hopefully, at the next European championship we will again have the chance to root for our own chaps, be they completely ours or just half-and-half, as long as they score more and let less tears drop.

Alexander Polyukhov,
NT correspondent
STOCKHOLM
Drawings from the newspaper ABC (Spain)

When does youth end?

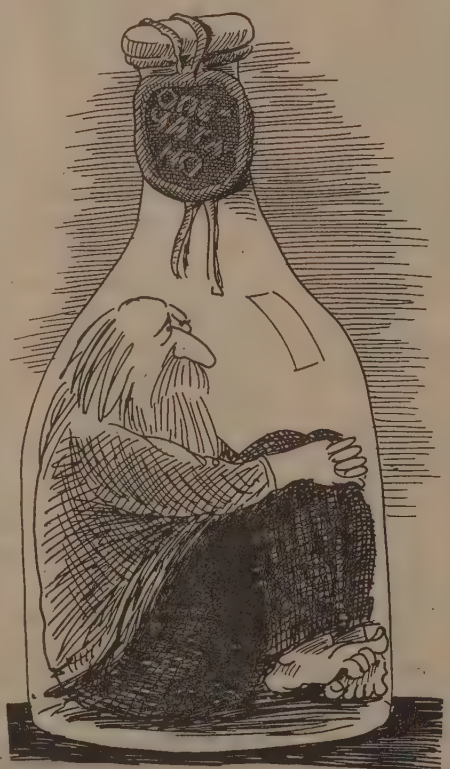
The third life cycle crisis in Soviet society.

Although, according to demographic data, the population of Russia becomes older, sociological surveys show that it deems itself very young. Answers to the question: "With what generation do you identify yourself?" supplied by the present adult sector of the population have demonstrated that 36 percent of men and 29 percent of women regard themselves as "young people."

It's only natural that practically all those between 16 and 24 (98% of respondents) identify themselves as "the young;" another thing is strange – the overwhelming majority of people of up to 35 still list themselves in this category. Although at a more advanced age a certain change in mentality occurs and the majority begin to feel themselves to be grown-ups, yet even at the age of 40 one fifth of Soviet citizens of both sexes continue to consider themselves "young." More than that, there are 5 to 10 percent of those aged 50 who still call themselves "young people."

There may be different assessments of these facts. Some will see a good sign in them corroborating the official propaganda of bygone years: "The Soviet people have a young soul." Others will see an ill omen supporting the current belief that "nowadays a man of fourty is still a child." Other data furnished by the same survey testifying to the existence of three crises of age self-identification, reach beyond these alternatives and suggest a new interpretation of the paradox of the prolonged youthfulness of the Soviet people.

Data confirm what middle-aged people know from their own experience, namely, that transition from one age group to another is an uneasy thing. Some women aged 30 to 34 can't make up their mind whether they still can consider themselves "young" or should they identify themselves as "middle-aged" already. As a result, women of this age are equally likely, if polled, to identify themselves with either group and often simply refuse to answer the question. Fortunately or otherwise, the crisis doesn't last long. After a short period of time the majority of women demonstratively refuse to regard themselves as young. The crisis is overcome, illusions concerning one's own youthfulness are rejected, though not without certain psychological losses.



Drawing by Alexander Zudin

A "mature man"? By no means!

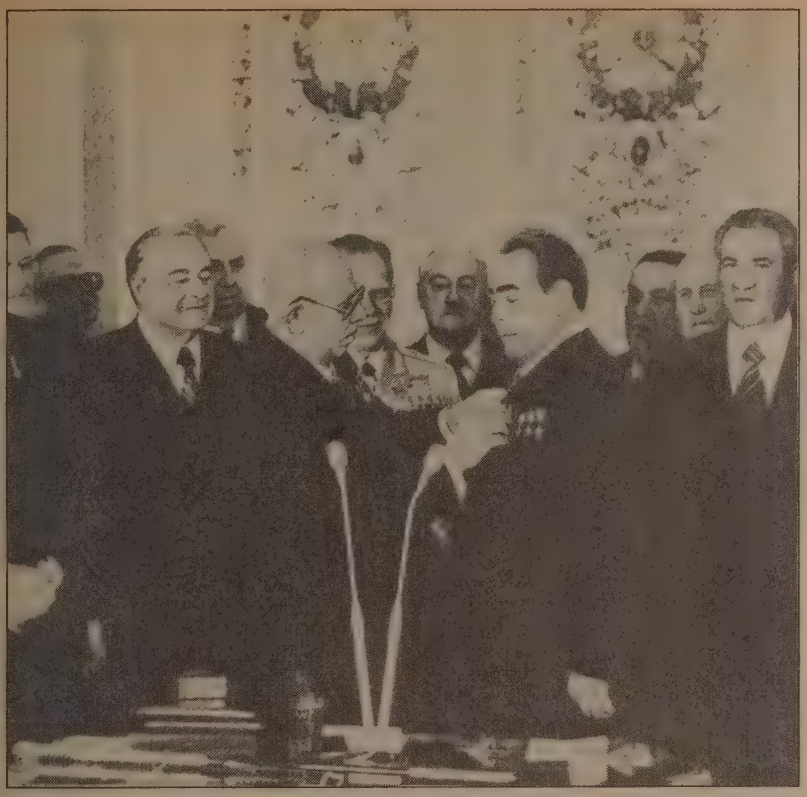
The critical period for men is the age of 45 to 49. As compared with those aged 40, the share of people of this age who consider themselves young doesn't diminish, but, on the contrary, grows. They make up 12 percent of the total, i.e., two and a half times more than in the former age group, which means that a segment of the population has failed to cope with the role of "mature men" and once again insists on being young. At the same time, 19 percent of their peers, on the contrary, already deem themselves "aged," which can be interpreted as kind of rejection of maturity, an attempt to escape from it. But instead of escaping back to their youth, they run "forward" to the old age.

These results make one believe that the male crisis and the female crisis are of a different nature. The main problem for a woman is the loss of youth which meant love or a promise of love, and transition to a "routine" existence, while the major problem of men is having to assume the responsibilities imposed by mature age.

That a person considers himself or herself young, mature or old, is not fully determined by objective "natural" factors, be it the measuring of age in years or determining it according to the state of one's physiological systems or organic tissues. Nor does this wholly depend on the subjective "psychological" factor: "one who feels young is young."

Lastly, it doens't completely de-

The poll was held in the autumn of 1991 by the All-Union Centre for Public Opinion Studies in 32 cities, towns and villages of 12 regions in the European part of Russia. 1,944 respondents aged 16 and older were polled.



One more award to the leader who has "aged" the entire country

pend on "society" whose traditions and ways make one shift to the category of the elderly not due to one's "passport" age or because of one's self-perception, but simply because he or she has become a grandfather or a grandmother.

In Soviet conditions, the question of age, in particular of one's young and old age, became a socio-political problem. It was reduced to the key issue nearly all social problems were reduced to in those days. Since the major phenomenon of Soviet society was power as personified by the Party and the State, correspondingly, the main issue was, in one way or another, that of power. To be of a certain age meant maintaining a certain kind of relation with it.

To be "young," or "under-age," meant to have certain moral rights to commit mistakes as a consequence of immaturity, yet, at the same time, this imposed obligations of obedience to the "senior" ones, just like the Komsomol obeyed the Communist Party. These paternalistic relations were called "devotion" on the one hand and "care," on the other.

Father Leonid & sons

The peak of "concern by the Soviet state for the young generation" fell on the later period of the Brezhnev epoch when, as we remember, it became customary to invariably picture Soviet people on placards as ever young. The Western press used to talk about "gerontocracy" in the USSR. Inside the country the old age of Soviet leaders was mocked and anecdotes about Brezhnev's senility circulated. The leader's age became a social problem and, consequently, one's personal age and the age of society turned into a problem too. Paradoxically enough, in the period of "gerontocracy" the fact of "society's youthfulness" was not only never questioned, it was ostentatiously asserted. The intelligentsia which habitually opposed both the "authorities" and the "Philistine," this time insisted, together with them, that "we are young," but did it in its own manner.

Thus, in narrow circles of the capital L.Sedov's theory gained popularity. It differed from the wide-spread idea of "our men's" infantilism, blaming them for their unwillingness to assume family responsibilities, in that it related the problem to the more general concept of Soviet people's eternal puerilism. Hence the critical conclusion characteristic of the intelligentsia and the epoch about creative impotence of this society and this culture.

Popular with the other, more numerous but less sophisticated, part of the intelligentsia, was Lev Gumilev's theory which revived, *inter alia*, last century's (if not dating back to antiquity) ideas concerning young and old peoples. By contrast to the official version, the pathos of this theory was that young is not the Soviet people, but the Russian ethnos. Consequently, the latter is to display its potential in powerful actions changing the historical and geopolitical situation to its own advantage. The popularity of these comforting conclusions about "the country's age" was based on the temporarily implicit "great power" mentality in mystically-historiosophic interpretation opposed to its official version of those days.

Both a grandfather and a "Big Brother"

Pseudo-age categories became widespread. The opposition "old – young" or "senior – junior" in the sense "dominant – dominated" was equally applicable to the relations in the "socialist community" and in soldiers' barracks.

At the same time, although the words "old" or "elderly" formally seem to mean "senior," this didn't imply the high status of the aged, specific for some traditional societies, or their right to authority and power due to their age (which is precisely gerontocracy in the strict sense of the word). On the contrary, the elderly or aged, pensioners, were a neglected group in public opinion and an object of "care by the state," which, in a sense, placed them in approximately the same position of the socially inferior "young ones" who required an equal amount of state protection.

Consequently, not all "elderly people" but only those in power were considered "senior" or "dominant" with regard to the "young" and "junior." It was precisely this aged ruling group that determined the situation favourable for stagnation – it kept a considerable part of society in the position of the protected and guided "young ones."

Lenin is a grandfather, while Gorbachev is young

Soviet children have always called Lenin grandfather. Being nicknamed "Old Guy" as early as in his late thirties, he

The "young" ones enthusiastically marched in the direction carefully pointed out by the "elders"

died at the age of 54. At the same age Gorbachev was considered a "young" General Secretary, against the background of Brezhnev's age. Brezhnev seemed to make the entire country old. Why so?

The age of political leaders and even of a head of state exercises varying influence on society in various socio-cultural circumstances and far from always affects it so negatively. It's a matter of the mechanism of the ruling groups' and elites' succession, its character and state, as well as of the possibility for the young to climb the career ladder.

As noted by P.Milyukov, one of the major unsolved problems of Russian statehood was the question of how to ensure a peaceful and legal succession of state power from one monarch to another. The events of February and October 1917 not only highligthed the problem but also aggravated the situation.

Social sclerosis

The dramatic character of every change in the country's supreme leadership was enhanced by the sealing off of most channels of the so-called vertical social mobility, i.e., of the possibility to climb the social ladder, inherent in all totalitarian regimes. The desire to retain power at all costs, to exercise power in the name of power, invariably led to the total control over any aspirant for a higher status, to reducing the number of such channels and such aspirants to a controlable quantity. This practice turned nearly all subjects of the regime into "young ones," i.e., people **already** prepared for social existence, but **not yet** endowed with the full-fledged social status.

The possibilities for growth, including those for the young, were found mostly in the sphere of management. Overcentralized management unavoidably led to a diminishing number of managerial jobs, positions of prestige, as higher hierarchical levels were approached. This, in its turn, resulted in a sharp slow-down in turnover "at the top."

Hence the above-mentioned closing of channels and stagnation. Concomitant collisions between various generations and groups of those in power were partially settled by social catastrophes, such as mass repressions and wars. Such catastrophes were the only means for certain "young" groups to occupy the desired seats in the hierarchy.

Changes were particularly slow in the highest echelons, which resulted in its members' progressive aging together with the aging of the regime, so to speak. This is specific not of this country alone, but of this type of regime – suffice it to recall China, Cuba and North Korea.

A certain type of social formations and states has in fact the property of being first young (when a young grouping comes to power), aging subsequently as the grouping ages. But in this case the life of such social formations obeys precisely the cyclic law providing for a catastrophic completion of each cycle. Whether there comes a new cycle after the catastrophic end of the preceding one is an open question.

In a totalitarian state the life of the "top" is presented to its subjects as the most important content of their own existence. Therefore all collisions of age and pseudo-age character are reflected in society in innumerable variations and forms. They can assume the form of both personal and group collisions. Consequently, its not for nothing that the year 1985 was perceived at the time as the young leader's victory, as the beginning of "the country's rejuvenation," and as the signal to act for "the young generation of the 1960s."

Work and love

Thus, the general self-perception and people's perception of themselves as members of some age group or other is determined by events in the higher echelon of power. As stated above, identification of oneself with the "young ones" lasts till the age of 35 in most cases. Yet the picture will change when other criteria of the "young age" are used.

Let us consider the values preferred by various age groups. Our respondents of both sexes could choose from the following list in answering the question "What's your major value in life?":

- work
- family and children
- health
- love
- recreation, entertainments
- freedom
- esteem by one's associates
- money and material welfare
- simple human joys
- being in harmony with oneself
- possibilities of self-expression
- harmony with God.

Below are the values which occupied the first three places in the answers of various sex and age groups

		women	
places	I	II	III
age			
16-17	love	health	family
18-19	love	money	family
20-21	love	money	simple joys
22-24	family	love	money
25-29	family	health	love
30-34	family	health	love
35-39	family	health	money
		men	
places	I	II	III
age			
16-17	health	freedom	esteem
18-19	freedom	love	health
20-21	health	love	freedom
22-24	family	health	love
25-29	family	health	money
30-34	family	health	money
35-39	family	money	health

The pair made up by value No 1, "family," and value No 2, "health," is formed with men at the age of 22–24 and with women, a bit later and persists with both for the next 30 years, to be subsequently reversed – health coming to the fore.

The preference for values "family"+"health" is one of the signs of "middle age," which is only corroborated by persistence of this pair for such a long time. Youth is indicated by, first, the absence of this pair ("health" in the answers of the youngest implies evidently not the absence of illnesses, as in older age group, but fitness for sports) and, second, by specific values of the young, "freedom" and "love," having the greatest priority.

"Freedom" is brought to the fore only by young men under 21. In all probability, it means not a civil or democratic value, but the feeling of having the right to "kick up a row," expectation of condescension to the "sins of youth." In other words, it's no more than a temporary right to freedom from social control.

"Love" is the major value for girls. It determines their behaviour on the sex market in choosing a lover and later, a helpmate.

This value retreats to the background precisely at the age when, according to demographic statistics, most women in Russia get married. In accordance with the distribution of roles in the sexual-family partnership, this value is not so marked with young men of 19–20 and is pushed to the third place as early as at the age of 22–24, forming for a while the "honeymoon complex," so to speak. With men, it is later replaced by a more mature pair, "family"+"money." Women retain a romantic attitude towards family till the age of 35. It may be inferred that precisely because of this romanticism women consider themselves "young."

Farewell to youth?

Thus, the character of behavior determined by age (inasmuch as this behaviour is indirectly indicated by the above data), as contrasted to the age group people class themselves in, proves that they behave young till the age of 21–22. However, as seen from the data furnished by the poll, they continue to call themselves young (and, consequently, ascribe to themselves the status of the young) for another 13 or 14 years after they part with their youth.

This period of declared youthfulness may be psychologically experienced as positive, negative or neutral – the survey didn't touch upon this aspect. However, this prolonged youthfulness is an indicator of the third crisis in age self-identification. This is a crisis not of men or women, but of the former Soviet people.

This study confirms that our state-absorbed society was aging and growing decrepit right before our eyes. It also poses a more general question: are, in principle, regimes of that kind capable of reproduction? They are not legitimate by their very nature, and their existence depends on the ruling elite which, in its turn, is dependent on such highly subjective factors as age – an exhaustible and unrenewable resource.

Perestroika, as a catastrophe for the old society, meant, *inter alia,* the appearance of new possibilities for making a career, a considerable rejuvenation of the ruling elites. It was carried out relatively peacefully, because new sources and types of mobility were found, for instance, election of people's deputies at all levels. Yet, for all its novelty, this is a disposable source which can't last long. And in this sense, the replacement of the ruling elites, the coming to power of "young politicians" is not as such a historical novelty and means no more than the beginning of a new cycle.

However, in addition to politicians, there have recently emerged "young entrepreneurs." This is a really new phenomenon. Their appearance shows that new channels of vertical mobility have opened, such as entrepreneurship. Unlike political catastrophic renovations, they can, in principle, be permanently effective. The appearance of embryos of political parties is also promising as another channel allowing the young to climb the social ladder. If there is a sufficient number of such sources and their activity is not interrupted, there will no longer be any room for debates about the special youthfulness or old age of our society.

The new generation chooses freedom *Photo by A. Kudenko*

Alexei Levinson

Vitaly Churkin, a 40-year-old career diplomat with considerable experience of work abroad and at home, has been appointed a new deputy of the foreign minister of Russia. On graduating from the Moscow Institute of International Relations, he worked for several years in the Soviet embassy in Washington, where he became well known to diplomatic and journalistic communities. His good knowledge of English, good natured character and ability to give prompt and apt answers to the trickiest questions enabled him to become the embassy spokesman popular among journalists.

On returning to Moscow, Vitaly Churkin began to work as a consultant in the International Department of the Party's Central Committee. In 1989, shortly before another reshuffle, he expressed the desire to return to the Foreign Ministry, where he became Eduard Shevardnadze's press secretary and then head of the information department, replacing Gennady Gerasimov in this post. The further career of Vitaly Churkin was shaped in a somewhat zigzag way. He was intended for the post of ambassador to Chile, Boris Yeltsin even signed an appropriate decision. But fate in the person of minister Andrei Kozyrev intervened and the decision was changed. Vitaly Churkin was appointed his deputy in charge of European affairs. But it does not seem to be the career peak for this talented young diplomat.

* * *

Leonid Kvokov, president of the Medinservice Society, claims that a group of scientists at his centre have devised means to prevent and cure baldness. The miraculous ointment, he says, at lest stops the process and, given a favourable outcome, even stimulates the growth of hair. Medinservice uses a new original method which combines traditional and non-traditional methods of treatment. "The essence of these methods is to treat the entire complex of ailments due to which men lose hair," Kvokov explains. "That is why, along with ointment we use acupuncture and the aid of ESP practitioners on the Medinservice staff."

Ten to fifteen sessions are needed for one course of treatment, and three or four months later another course must be taken. Those who underwent the first course of treatment in autumn and

the second course next spring, Leonid Kvokov says, have already a small amount of hair on their heads. "We hope for successful treatment in 95 out of every 100 cases," the president says.

* * *

The visiting card of **Alexander Savelyev,** 48, says "Artist (impressionism, modern)." Alexander took a liking to painting in early childhood thanks to his father, who was an architect. Since then he has admired the paintings of Matisse, van Gogh, Modigliani and Chagall. But in 1961 Alexander Savelyev was not admitted to the Higher School of Industrial Art. His paintings seemed too "non-standard" to the selection committee. Alexander felt hurt and gave up painting for 22 years. During this time he graduated from the Moscow Aviation Institute, studied at Moscow University.

He resumed painting only in 1983 and today could well be pleased with his creative career. Several exhibitions of his paintings have been held.

A classic of the "merry genre"

The first issue of *Russkoye Bogatstvo* (Russian Wealth) for 1992 consists wholly of **Leonid Likhodeyev's** stories. Such is the new policy of the magazine re-established last year. Each issue is devoted to one writer.

A small collection of Likhodeyev's writings (he is already over 70) consists of a large story, *Middle Upland Chronicle,* two rhymes, modern additions to *Decameron,* a dozen *Stories about Food, Epistolary,* selected excerpts from correspondence (but not with friends), and, lastly, the "gallery," a series of cartoons drawn by the writer. To avoid the indignation of people whose caricatures are published, Likhodeyev drew a cartoon of himself accompanied with his own satirical rhyme.

A master of ironic prose, long regarded by critics as a writer who continues the traditions of Averchenko, Zoshchenko and Bulgakov, Likhodeyev is true to the muse in this collection. The stories included in it were written by him in the late 1960s and 1970s and were suppressed for more than 20 years. The writer passed them to Anatoly Zlobin, publisher of *Russkoye Bogatstvo,* who has now made them known to the general public.

Middle Upland Chronicle takes up a greater part of the collection. It is a chronicle of an imaginary city, like the other imaginary cities described in Russian literature, and the motor trip to this city gives a clear hint to the reader that its "traditions" have not disappeared.

It should be noted that, remaining faitful to the ironic muse, Leonid Likhodeyev tried his hand in writing historical novels. Following the recently published *Field of Battle,* a book about the 1920s and 1930s, two volumes of the *Family Calendar* have been put out. This novel depicts events which took place in Russian history during three quarters of a century. Likhodeyev began to write it 20 years ago. Doomed to suppression in the Brezhnev period, it could not find a publisher for a long time even during the years of *perestroika.* The last part of the trilogy, to appear soon, is entitled *Let Every Chronicle Be Full of All Days.*

Recently he was admitted to the professional creative union of painters and graphic artists of the International Federation of Artists under the auspices of UNESCO. His works sell well in the West. Alexander decided to open his own gallery called "The Russian North."

"The Russian North" is a new attempt to understand the role of the northern regions in the history of our culture and art. Every year Savelyev goes round towns and villages of the Yaroslavl, Vologda and other northern regions in search of unknown "provincial talents" and masterpieces.

It is supposed that "The Russian North" will be a commercial art gallery. But, apparently, much time will pass before the activity of Alexander Savelyev and his associates begins to bring a profit. Friends and colleagues say he's not a very good businessman. Savelyev does not dispute this, but does not give up his idea.

* * *

American businessman **Alec Kurbanov,** 32, has come to Russia to revive the entrepreneurial traditions of his ancestors.

Before the October 1917 revolution his grandfather (mother's line) was chairman of the board of the Insurance Society of Russia. His other grandfather (father's line) fought in the White Guard against Bolsheviks.

A descendant of Russian nobles, Alec Kurbanov was born in Philadelphia. But he went to school without knowing English at all. As Alec says, there was great emphasis on Russian in their family. On finishing school, he studied at two universities in three specialities: business, Sovietology and philology (Russian). He received a master's degree in the Russian language and literature. Later he succeeded in business, buying and selling real estate. But he did not give up the hope of using the knowledge he had acquired at universities.

Such an opportunity arose for Alec Kurbanov at the National Aeronautics and Space Administration. He worked as an interpreter and consultant with Soviet military experts who came to Salt Lake City to check the scrapping of American medium- and shorter-range missiles. Later, he took up business, working on the project to launch an American weather satellite in Plisetsk, Russia.

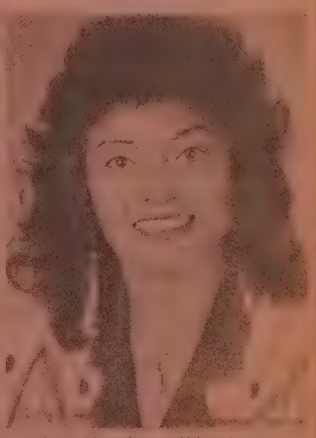
After the White House agreed to guarantee the insurance of investments by American companies in

Russia, Alec Kurbanov undertook to place American investments in Moscow and has already had negotiations with the city administration. The idea is to build hotels. Last October, in search of partners, Alec arranged exhibitions of American companies manufacturing equipment for offices and medical institutions, that were held in Kiev, Petersburg and Moscow.

In the opinion of Alec, Russian traditions should be revived not only in the economic sphere Alec recalls the Russian scouts' movement in America and annual gatherings of scouts in summer camps. At such gatherings many descendants of Russian emigrants acquired basic knowledge about the Russian history and spiritual culture. "During 70 years of Bolshevism in Russia," Alec says, "the national tricolor was raised in the scout camps and to the traditional call urging scouts to work for the cause of Russia they would always reply 'Ever ready.'"

Kurbanov has promised to help children of Russia visit these camps.

Master of "superlearning"



Her name is Faly Eyre. She conducts business seminars for Russian businessmen and foreigners living in this country. Faly calls her seminars "Beyond Excellence." Her method of teaching is unusual. "I am interested in superlearning, or learning without learning," she explains.

"I've found that everyone has knowledge, but that does not necessarily mean that they are successful," Faly says. "Knowledge is the content, but they are missing the context. It is like a bowl of fruit. If you don't have a bowl, the fruit spill all over the room. So one of the things I do is to create a bowl, so to speak. I help students conceive the context of their inner life and then they can implement the knowledge they already have. I help them not just to be observers of the world, but to participate in their lives and enjoy them."

The star of Faly Eyre rose when companies began to realize that it is impossible to differentiate between personal and business life. A manager simply can't behave one way in his office for eight or more working hours and then change his skin and become quite a different person at home or at a party. The credo of Taly Eyre is that "if a person can understand more about himself he can perform better and if he knows how to enjoy his job, he will achieve much better results."

Having first visited Russia last year, Mrs Eyre found here understanding and enthusiastic audiences. Her seminars were very popular among eager Russian businessmen. That is why she decided to come to Moscow again this year. The American teacher of business is completely satisfied with her Russian students. She says they are very disciplined, cooperative and diligent.

"What I like most in Russians," our guest concluded, "is their inner strength. If they manage to keep their 'openness' together with their strength, they will eventually succeed in their dealings with foreigners."

Kinotavr moves on

So much has been said about the troubles of our cinema that many Russians seem to have given up on it. But with the launching of Kinotavr, which replaced the all-Union film festival, the depressing situation in Russian cinema suddenly changed for the better

The festival of national films, Kinotavr (Cinetaur, to Anglicize its name) was first held in the spring of 1991. Devised and organized by entrepreneur and cinema businessman Mark Rudinstein, it became a notable event in the cultural life of the country (then the Soviet Union).

"National cinema needs support," Mark Rudinstein said, "and festival is one of the forms of such support. But it would be insincere to say that I devised Kinotavr only for love of art. It may sound paradoxical, but I organized the festival for love of myself. I am convinced that only by working for one's self can one prove useful to society as well. Therefore, Kinotavr is a product of my vanity, in the good sense of the word, of course."

Be that as it may, Kinotavr moves on. Recently, in Sochi, it drew 360 participants and guests, including foreign (much more than last year). The main thing that struck the participants, guests and journalists is the high quality level of the films submitted for the two competitions – "Films for the Elite" and "Films for Everyone."

The chairmen of the juries – noted cinema producers Vadim Abdrashitov and Vladimir Menshov, who won the Oscar prize for his film *Moscow doesn't Believe in Tears* and who, incidentally, is the only holder of this prize so far in the former USSR and in Russia – with their experienced professional assistants thought hard before deciding what films deserved prizes.

In each competition 14 interesting films, very different in their content, had contested for the Grand Prix and other prizes. Their excellence even brought about a collision between the two juries. Having awarded the Grand Prix (5,000 dollars) to Sergei Popov's *Smile* and distributed other prizes, the jury of the competition "Films for the elite" passed on *The Sun of Those Who Don't Sleep* to the jury of the competition "Films for Everyone." The Georgian producer of this film, Teimur Babluani, who also wrote the script and music for it, and his team made such an impressive picture that it was impossible to overlook it. As a result, the "Films for Everyone" jury awarded its Grand Prix (also 5,000 dollars) to *The Sun of Those Who Don't Sleep*, having proved once again together with Babluani that the division of films into those for the elite and those for ordinary people is rather arbitrary.

A cinema market was also held in the Sochi hotel, Zhemchuzhina, as part of the Kinotavr-92 festival. As many as 240 cinema businessmen came from different cities of Russia, Ukraine, Lithuania and Belorus. In a way, Kinotavr-92 may be called an international festival. Western cinema businessmen, however, ignored this festival, and mistakenly.

About 50 Russian-language films were on the list presented at the cinema market. The artistic merits of many of them were fairly high, and they were certainly a commercial success. Nikita Mikhalkov's *Urga* was recognized as the best film of the market. It was submitted by the Perm-based Initiative firm, one of the first rent-a-film firms in Russia. Thanks to this firm the participants in the festival and the market and people of Sochi were the first in the country to see the beautiful French film, *Mado, Poste Restante,* shot by our talented producer Alexander Adabashian. Oleg Yankovsky, known to Western viewers thanks to Tarkovsky's *La Nostalgia,* played one of the main parts in this film. The president of the Initiative firm, young and energetic Oleg Chesnokov, was named the best producer of Kinotavr-92 and was awarded the Mark Rudinstein prize of 1,000 dollars.

The idea to bring together those who have, in one way or another, linked their lives with cinema proved fruitful. By the quality of films presented at it the Kinotavr-92 market was more successful than the previous one, which was held last autumn separately from the festival. There were, of course, mediocre films as well on the market.

"Cinema explosion"

This is not surprising. Right after its emergence the Soviet cinema industry struck cinema-goers not so much by the high quality of films as by their unprecedented quantity. Last year, for instance, 380 new films were released, and 260 foreign films were shown in Russia. It is naive to think that new businessmen and producers, who often acted as directors, were professionals in this field. Their love of cinema was explained only by the fat profits it brought them. Money from the accounts of budget-financed and commercial organizations was actively channelled into the cinema business. It was a good means of laundering the money earned in the black economy. As distinct from milk, meat and many other products, there was no shortage of films. Every day a new film was produced.

It is strange, however, that quantity did not have a positive influence on quality. Most of the films were run-of-the-mill.

Savely Kramarov, a guest of the festival, a former Soviet and now an American comic actor, seemed pleased with Kinotavr-92

Foreign movie renting firms took advantage of this situation. With the help of our businessmen they began to inundate the home market with their films, no better than ours, but more entertaining. The US cinema business has particularly succeeded in this respect. Many cinema-goers began to turn away from our films.

But, I think, this process will not last long. Radical changes are about to happen in our cinema industry. Everything is becoming costlier in our country, and film production too. Not long ago the shooting of a film cost half a million rubles on the average, today it costs 10-15 million rubles. Cinema is no longer an easy business. Only the most talented will be able to remain in it.

Well, every cloud has a silver lining. Only those sincerely devoted to cinema will last in it. Mark Rudinstein, president of the firm Kinotavr, is of the same opinion. He thinks it is to procude 50 to 60 films a year, but good ones. Cinema-goers are fed up with American run-of-the-mill and our commercial films whose "merits" are reduced to showing violence and sex. The time of real art, good and humane, will come. Proof of this are the feature films demonstrated at the festival.

The Kinotavr president, and others of like mind, believe it is senseless to ask money for the development of culture from the state. It must be earned in prifitable spheres and then invested in the spheres which can hardly survive in market conditions. This concerns first of all highly artistic national cinema. As a matter of fact, this is what Mark Rudinstein is engaged in. He does not consider it shameful to earn money from show-business and commercial films which bring good profit. At the same time, he acts as the producer of films which are unlikely to bring him profit and return the money spent on them. These are highly professional films imbued with profound morality and love for people. Rudinstein regards serious "unprofitable" films as his capital. Thanks to them he can make a name for himself. *Catafalque* – Valery Todorovsky's debut as a producer – brought the firm the Golden Ducat prize at a film festival held in West Germany in 1990. *Cynics*, a film difficult for comprehension, made a strong impression on viewers at the latest festival in Sochi. It was shot after Anatoly Mariengof's novel of the same title (the script by Valery Todorovsky and Dmitry Meskhiev is the director). The film is a story about intellectuals who became outcasts in their own country after the 1917 revolution and, as philosopher Vasily Rozanov enough put it, slid into "cynicism because of suffering." It was also shot at the firm headed by Mark Rudinstein.

Of course, it is not simple to finance films which attract small audiences. It is easier to buy a dozen or more films in the West and quickly earn millions on them. But Mark Rudinstein does not want to get lost among dealers who make the importing of such films their main occupation. Their profits will eventually fall. National cinema is a scarcely touched virgin soil. Given a skilful treatment, a rich harvest can be grown on it.

Albert Pin

Environmental protection calls for sacrifice

But everyone expects others to do the sacrificing

The World Conference on Environment and Development was held under the UN aegis in Rio de Janeiro exactly 20 years after the international community had officially recognized the importance of global ecological problems.

Who is to blame?

At the previous conference in Stockholm in 1972, as well as in Rio de Janeiro, the developing nations argued that it was not they who created ecological problems and therefore it was not their business to solve them. The responsibility was laid mainly on industrial nations, the United States most of all.

As the country with the biggest economic potential, the United States indeed leads in the discharge of many harmful wastes. In the late 1980s the share of the former Soviet Union, China and Brazil in the total emission of gases producing the "greenhouse effect" reached 29 percent, whereas the share of the United States totaled 17 percent.

Undesirable changes in the composition of the atmosphere and the increased content of carbon dioxide in it are the result not only of harmful discharges, but also of the mass felling of forests in the Amazon basin. It is therefore reasonable to demand that the United States and Japan cut the discharge of harmful gases, Brazil drastically reduce the felling in its tropical regions, and China substantially lower coal consumption.

The United States annually spends 80 to 90 billion dollars on environmental protection, and its ecological legislation is much stricter than that of West European and, the more so, of developing countries.

Both rich and poor countries are today faced with difficulties in financing environmental protection programmes. Japan and the European Community are going to introduce ecological taxes on manufacturers. Russia recently introduced payment for the use of natural resources and fines for environmental pollution. It became clear at the Rio Conference that the Third World nations intend to solve ther ecological problems only at the expense of foreign aid.

The industrial countries agreed to allocate 0.7 percent of their GNP to the Third World for these purposes. It is certainly a step forward, though it is not a very broad gesture. In addition, the United States, Japan, Germany and other members of the Group of 7 expresssed their readiness to transfer quite large sums through the World Bank for financing long-term ecological programmes. There was even a proposal that the sums intended for repayment of the Third World debt should also be used for the benefit of nature. Nevertheless, the developing countries will have to pay a greater part of the sum from their own pockets.

Attended, but kept silent

The Soviet Union did not take part in the Stockholm Conference 20 years ago. Moscow found a convenient pretext for its refusal: the German Democratic Republic not yet a UN member at the time, had not been allowed to attend. True, there were not a few cases where the USSR took part in international meetings in spite of the absence of the GDR and other socialist countries. The genuine reason for the no-show by Soviet delegation at the first ecological conference was different. Ecology was at odds with the foreign and domestic policy priorities of the USSR. Implementation of the Stockholm decisions would require means not available in the superpower's militarized budget.

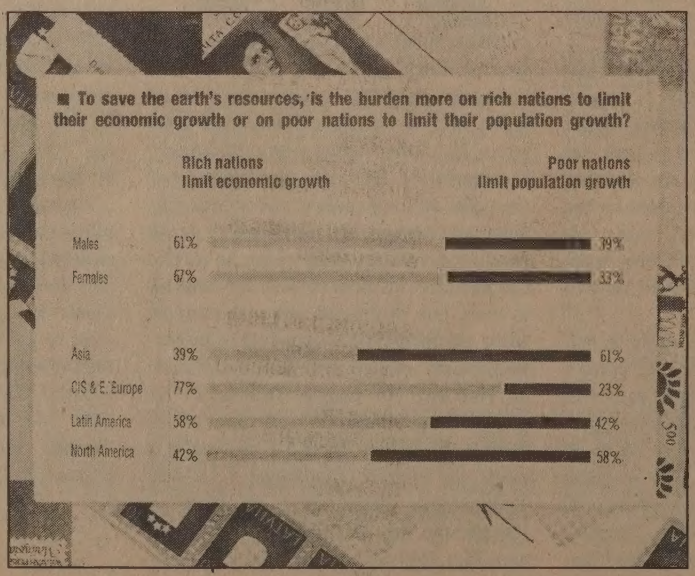
Russia and other member states of the Commonwealth attended the Rio Conference. But the voice of the Russian delegation was practically never heard. Some newspapers regarded this as the absence of a position on the vitally important ecological problem. But this is not the case. Russia's position is clear: during the transition to a market economy the country needs foreign aid to fight environmental pollution.

According to estimates by UN experts, no less than 50 billion dollars will be needed to carry out the programmes adopted at the Rio Conference for the ecological control and development of Central and Eastern Europe. A sizeable part of this sum will have to be paid by Russia.

Members of the Russian delegation to the Rio Conference did not support the accusatory tone by representatives of the Third World countries who chastised the "prosperous" Western countries. The restraint of our delegation was clearly dictated by diplomatic considerations and also by realization of our guilt in the Chernobyl disaster, Aral and Baikal tragedies.

Most agreements on environmental protection, including the World Strategy for Environmental Protection, have the character of recommendations. The agreements reached at the ecological conference in Rio are sealed by the signatures of the heads of states and must be ratified by national parliaments. By its content the Rio Conference was more than simply an ecological forum. It was a conference on problems of development, because the preservation of the environment was considered in the context of a balanced economic growth. Some regard this connection as a merit and others a drawback.

The financing of long-term environmental protection and economic programmes through the World Bank and the Global Environmental Fund expands the opportunities of the Seven to influence the economic development of Third World states. No wonder that at the Rio Conference the leaders of many Third World states spoke in favour of distributing Western aid through UN-controlled "regional agencies" formed specially for this purpose.


To save the earth's resources, is the burden more on rich nations to limit their economic growth or on poor nations to limit their population growth?
Rich nations limit economic growth
Poor nations limit population growth
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Females 67% 33%
Asia 39% 61%
CIS & E. Europe 77% 23%
Latin America 58% 42%
North America 42% 58%

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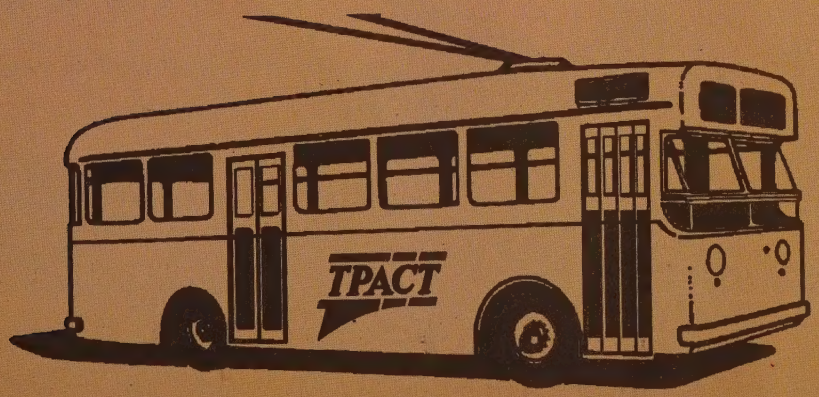

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